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NEWS SUMMARY

GENERAL

Gales threat to Fastnet rescue

WITH 10 yachts still unaccounted for after the Fastnet race disaster, the huge rescue operation last night faced the grim prospect of being hampered by more lashing gales, possibly up to Force Eight.

But, as the death toll mounted to 15, with 22 yachts sunk or abandoned, suggestions that the race should never have gone ahead were discounted by the organisers, the Royal Ocean Racing Club. Club secretary, Alan Green said: "People who are suggesting that do not understand the way ocean racing is conducted."

He said boat owners prepared their boats in the best possible way "and it is their responsibility to judge the weather and to take such action as it occurs to them is right."

Britain's Admiral's Cup skipper Edward Heath, who reached the finish in Plymouth to contradict earlier reports that Morning Cloud's rudder had broken, said: "It was a very frightening experience, the sort of thing you would never want to experience again." **Claims may exceed £1m—Page 8**

Young resigns

Andrew Young, the chief U.S. delegate to the United Nations, has submitted his resignation to President Carter, he said yesterday. He has been under fire for holding talks with the Palestine Liberation Organisation. Senator calls for Young's sacking. Page 4

Muzorewa 'yes'

Bishop Abel Muzorewa's Cabinet accepted the Government's invitation to attend the all party conference on Zimbabwe Rhodesia, starting in London on September 10. Back Page

Flood toll rises

As India celebrated its 32nd anniversary of independence Lloyd's insurance agents in Bombay said the number of people killed in the dam flood disaster at Morvi in Gujarat state is likely to exceed 25,000.

Crash kills 150

Everyone on board two Soviet airliners was killed when they collided on internal flights, the official news agency TASS reported. Unofficial reports put the death toll in Saturday's crash at 150, making it one of the Soviet Union's worst air disasters.

Bulging cities

Third World cities and towns will have to accommodate an extra 1bn people by the end of the century, with Mexico City's population rising to 32m, according to the World Bank's second annual development report. Back Page; Editorial comment Page 18; Economic Viewpoint Page 19

Ulster arrests

The Royal Ulster Constabulary arrested 16 people in swoops in Belfast as part of its investigation into Sunday's Republican parade in the city. In continued violence two Pakistanis were wounded by gunmen in Belfast, and a mob went on the rampage in Lurgan. A 1,000 lb milk churn bomb was defused in South Armagh. Page 8

Briefly . . .

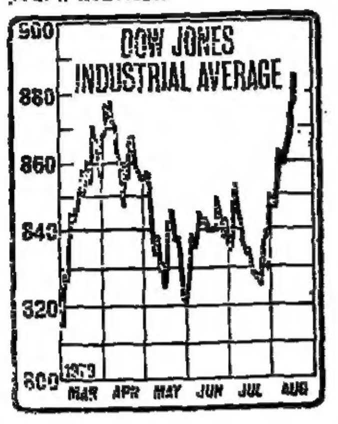
Nigel Short, the 14-year-old chess prodigy from Bolton, took a clear lead in the British Chess Championship after beating defending champion Jonathan Speelman.

Soldier was found dead in the Brecon Beacons, Wales, after taking part in a selection course for the Special Air Service.

BUSINESS

Wall St. up 9.13; Gold at $300⅛

● WALL STREET rose 9.13 to close at the year's highest of 885.84. The day's trading volume, at 46.25m, was the year's heaviest.



● GOLD was up $3[illegible] to close at $300⅛ after a best level of $303¼ in active trading. The Comex August settlement was $300.40 ($300.00).

● EQUITIES trading was quiet, the FT 30-share index closing 0.9 down at 471.2. Gold moved ahead.

● GILTS traded strongly, arousing hopes of a big subscription for the new short tap. Shorts gained up to [illegible] but longs remained ...sensitive. ...The Government Securities Index was up 0.33 at 74.08.

● STERLING rose five points to close at $2.2325 after touching $2.475, as commercial demand continued. Its trade-weighted index was unchanged at [illegible]. DOLLAR's index was 84.7 (84.5).

● OUTCOME of the present wage round appears certain to be close to last year's. [illegible]ings rose 1[illegible] per cent in the first 11 months against last year's 18.8 per cent rise. Back Page. Wales TUC said unions will be justified in fighting for pay increases of at least 25 per cent in the next round. Page 8

● JAPANESE Government agreed in principle to join Rolls-Royce in the £300m development of a new jet engine, the RB-432. Back Page

● ACROW GROUP is expected to announce shortly that it is at an advanced stage of negotiation with PL for the purchase of a big part of the Aveling Barford group. Back Page

● NATIONAL ENTERPRISE Board announced a £5m joint venture with a small U.S. company—its first investment to be approved by the Conservative Government. Back Page

● RIO ALGOM, the Canadian uranium-producing arm of Rio Tinto-Zinc, is suing the Tennessee Valley Authority in the U.S. for C$ 600m (£229m) damages for breach of contract. Page 23

● MERIDEN MOTORCYCLE Co-operative received a "pretty definite" offer to buy the concern. Creditors will continue support until next month. Page 5

COMPANIES

● UNILEVER reports second quarter profits little changed at £156.2m against £184.2m, leaving the total for the first half ahead from £295m to £321.8m. Page 20 and Lex

● TUBE INVESTMENTS reports pre-tax profits £7.5m down at £30.4m for the second quarter. At the trading level, profits were maintained at £50.5m (£51.6m). Page 20 and Lex

● F. W. WOOLWORTH pre-tax profits increased from £12.59m to £16.23m in the six months to July 31, on turnover of £393.1m against £358.17m. Page 22

● GENERAL ACCIDENT Fire and Life Assurance lifted its interim dividend by one third from 4.125p to 5.5p and reports much improved second quarter figures. Page 20

BNOC assets sale may begin within six weeks

BY RAY DAFTER, ENERGY CORRESPONDENT

The Government hopes to start disposing of certain British National Oil Corporation assets within six weeks. Properties for sale are likely to include interests in the Viking gas field and the Anglo-Norwegian Statfjord oil field.

It is expected, however, that the corporation will be allowed to retain its more attractive North Sea interests, in particular its stakes in the Thistle, Ninian and Beatrice fields.

Energy Department Ministers and officials have told senior executives that they want the corporation to retain a strong offshore presence because:

● State undertaking can provide an additional drilling and production force while underwriting British security of oil supplies:

● A strong BNOC could enhance the Government's plans for private investment in the corporation.

The Government hopes to change the corporation's capital structure some time next spring. It is looking at two ways of injecting private capital, involving either the issue of bonds or the sale of shares, which would result in a company somewhat akin to British Petroleum.

First, however, the Cabinet must decide on the corporation's future size and shape. Its board will decide on August 31 what it will recommend regarding asset sales.

The corporation was initially asked to say what sales would be necessary to raise a £400m target set by the Government.

However, it is far from clear whether the Cabinet will insist on such disposals. Opinions among senior Ministers are believed to be mixed, as they were regarding the Corporation's whole future.

For its part, the corporation will state its willingness to dispose only of its natural gas assets: its 50 per cent stake in the partly depleted Viking gas field, worth an estimated £40m, and unexploited gas accumulations close to Viking.

It will probably tell the Government that it sees no reason why it should dispose of oil assets new but that, if some sale is needed, it ought to be in Statfjord.

The Corporation has a one-third interest in the UK portion of Statfjord, the biggest but one of the least profitable fields in the North Sea. Its stake is thought to be worth about £125m, according to Wood, Mackenzie, the stockbrokers.

Third on the disposal list might be the 12 per cent stake in the Dunlin Field, worth an estimated £105m. The corporation has indicated to the Government that it especially wants to remain the operator of the Thistle and Beatrice Fields.

One issue to be resolved in Whitehall is whether the Corporation will remain a single entity or split into two: one part wholly State-owned and concentrating on oil trading; the other partly in private hands, acting as an offshore oil explorer and developer.

Mr David Howell, Energy Secretary, has announced that the Corporation will continue to lift 51 per cent of all the crude oil produced in the UK sector of the North Sea.

The reason for that is becoming apparent at the petrol pumps. BNOC is selling a higher proportion of its crude to British refiners than it was earlier this year.

As a consequence, oil companies are easing their allocations to customers. Esso service stations are receiving almost as much petrol as they did this time last year Shell and BP are allocating supplies at 100 per cent of last year's level.

It is becoming clear also that the Energy Department is paving the way for a new licence round designed to attract considerable interest among the international oil industry. Companies with North Sea interests have been invited to submit recommendations for blocks that should be licensed.

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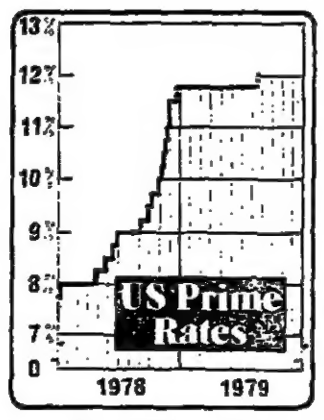
U.S. markets welcome Fed's tighter credit

BY STEWART FLEMING IN NEW YORK

THE U.S. Federal Reserve Board moved yesterday to tighten credit conditions, fulfilling the hopes of the financial markets that under Mr. Paul Volcker, its new chairman, the central bank would act promptly to fight inflation and support the dollar.

The Fed's move to raise its target interest rate on federal funds from 10½ per cent to at least 10¾ per cent was followed quickly by an announcement from the third largest U.S. bank, Chase Manhattan, that from today it is increasing its prime lending rate to 12 per cent.



This matches the record prime rate hit in September 1974. It was quickly followed by two Chicago banks—Harris Trust and Continental Illinois—and it is widely expected that other banks will follow suit.

The Fed's action, which had been predicted by many economists and dealers, was greeted warmly by both the U.S. bond market and the foreign exchange market.

On Tuesday the Fed's monetary policy arm, the open market committee, held its first meeting since Mr. Volcker succeeded Mr. G. William Miller as Fed chairman at the beginning of the month. Mr. Miller became U.S. Treasury Secretary in President Carter's reshuffle of his administration last month.

The dollar has stabilised in the three weeks since President Carter announced that he wanted the internationally respected Mr. Volcker to move from president of the New York Federal Reserve Bank to be chairman of the Fed.

But worrying evidence of deteriorating trends in the economy had convinced many in the financial markets that the central bank would tighten credit at Tuesday's meeting.

Last week for example, it was disclosed that inflation as measured by producer prices had accelerated again in July after slackening in the previous two months, and was surging again at a 13.2 per cent annual rate.

Consumer price inflation has been running at this level in the first half of the year. In addition, for the past two months the money supply has been growing at a rate well above the Fed's targets.

These factors, it is thought, will have influenced the Fed's decision to tighten credit with the objective of curbing inflation and in the knowledge that any evidence that the central bank intended to tolerate these adverse trends could bring renewed pressure on the dollar.

Many economists suggest that a modest shift to higher interest rates now will not have a severe impact on the overall performance of the economy. It

Continued on Back Page

New tap may be in demand

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE NEW £1bn short-dated tap stock could be in demand when market dealings start this morning following a further rise in gilt-edged prices yesterday.

The stock—11¼ per cent Exchequer 1984—was not fully-subscribed when lists closed yesterday and all tenders were allotted in full at the minimum price of £97.25 per cent.

Market estimates of support varied considerably. Initially dealers thought that as much as half to three-quarters of the stock might have gone by the close, some estimates were as low as a sixth.

There was no evidence of any strains in the money markets yesterday as a result of the issue. Several banks are believed to have sold existing short-dated stock to subscribe for the offer. This was attractive because the new stock was partly-paid with only £30 per £100 nominal due yesterday.

Prices of existing short-dated stocks rose by £[illegible] and as a result the new stock is yielding more than other comparable gilts.

This creates a dilemma for the jobbers in setting their initial prices today, so that if the market is as firm as it has recently been the stock could be quickly exhausted.

Even before the latest issue the Bank of England had tied up the sale of over £5bn of gilt-edged stock since April to cover the high level of public sector borrowing in the first half of the financial year.

Borrowing is expected to be particularly high in the banking month running from today to mid-September as a result of the first stage of the income tax rebates.

Brussels expenses 'exceeded by 23%'

By Jonathan Carr in Bonn

A POLITICAL storm seems likely to erupt after revelations of marked extravagance at the top of the EEC Commission in Brussels.

An official report shows that the 13 European commissioners together exceeded their allotment for entertainment expenses last year by 23 per cent.

It also links items of overspending to particular commissioners, in a way bound to cause not only embarrassment to those involved, but wrath among European taxpayers.

The report prepared by the European Auditing Office does not name the commissioners, but lists them according to a numbered key. The West German weekly, Stern, has obtained both the report and the key.

The report was requested by the European Parliament earlier this year after Press reports that a Commission vice-president, Herr Wilhelm Haferkamp of West Germany, had been overspending.

The highest entertainment expenses — nearly DM 77,000 (£18,800)—were claimed by a senior commissioner. Several other commissioners, however, spent well under their allocations. Together, all 13 commissioners spent almost DM 728,000 (£178,000)—or 23 per cent more than the sum originally allotted to them.

A separate breakdown on drinks for official visitors discloses that about DM 19,000 (£4,650) worth of liquid refreshment was ordered by all commissioners last year. One commissioner, however, ordered 128 bottles of schnaps.

Another commissioner spent DM 245,000 (£60,000) on transport. The record for the biggest hotel bill for a single night was DM 508 (£124), although on one occasion, a commissioner found a lodging for only DM 31 (£7.60).

One member of the Commission last year managed to spend more than 100 days on business trips to his homeland

Two members of the Commission showed less interest in travel. But, according to the auditors report they had a special affection for flowers in their offices. One is said to have spent nearly DM 1,500 (£367) a week in this way, and the other just under DM 1,000 (£244).

Details Page 3

Spillers turns down £76.3m Dalgety bid

BY CHRISTINE MOIR

DALGETY, the international agricultural and food merchanting group, yesterday launched a £73.6m bid for Spillers, the flour and food processors, only to have it met by the resignation of one of its own board members and instant rejection by Spillers.

Spiller's Board is still considering the surprise offer, which it received at noon. Its immediate reaction was that "the proposition is unlikely to be regarded as advantageous to the company, its shareholders or its employees."

The benefits to Dalgety were also called into question by Mr. Alfred Singer, a former deputy managing director of Tesco, who was appointed a non-executive director of Dalgety on January 1. Yesterday he handed in his resignation to Mr. David Donne, Dalgety's chairman.

Later he said that he considered Dalgety an outstanding company with an outstanding chairman. However, "at £75m, great risk is involved in this bid and on an issue of principle one is acutely aware of one's responsibilities to shareholders."

The market's immediate reaction to the offer's term—one Dalgety share for every six Spillers—was to mark up Spillers' share price by 10p to 49½p, where it matches the offer.

Equity

Dalgety's shares also rose 2p to 300p, reflecting the accompanying announcement that the company intends to increase its dividend to 53 per cent more than last year and 24 per cent above te level it promised last September when it made an £18m rights issue.

The bid must go to Dalgety's shareholders for their approval, both on the grounds of the size of the proposed acquisition and because it involves increasing the equity by more than 50 per cent.

The shareholders are being invited to regard the merger as commercial common sense. Dalgety's board believes that its agribusiness, which takes in meat processing, food (particularly frozen vegetables), merchanting and animal feeds, is complementary to Spillers food interests. It also feels considerable advantage could be gained from streamlining distribution and marketing, and expanding in overseas markets.

Dalgety claims that all of its divisions have performed extremely well in the past year. It estimates that profits for the year to the end of June will amount to not less than £31m—a 30 per cent increase on the previous year, despite the prolems of adverse currency movements.

Considerably more than half of Spillers' profits, which last year recovered from £8.5m to £14.7m after the rescue which unburdened it of its loss-making bakeries, come from flour milling. Dalgety has no common interest in this field.

Up to the turn of the year margins on flour had been good but they have recently suffered from increased wheat and wages costs. Unless there is a retail price increase by September, current year profits could be depressed, according to Mr. Michael Vernon, chairman of Spillers.

Dalgety intends to run the flour business as a separate division. Its main efforts will be concentrated on the other interests. Both own egg and poultry businesses in the UK of roughly the same size. Spillers has a much bigger meat and food processing division than Dalgety in the UK, but this would be complemented by Dalgety's major meat trading and processing facilities in Australia and New Zealand.

In addition, Dalgety has recently embarked on a major expansion into food distribution in the U.S. Spillers has also entered that market with Modern Maid, a flour-based food group still making losses but on the point of recovery, according to the company.

In animal feeds, the two companies have a combined 13 per cent share of the UK market.

Dalgety's U.S. expansion has been part of a planned programme of regional diversification. This is intended to offset its dependence on the cyclical agricultural markets in Australia and New Zealand, where it is the leading meat processor, livestock trader and rural agent.

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£ in New York

—	Aug. 15	Previous
Spot	$2.2400-2415	$2.2355-2365
1 month	0.71-0.66 dis	0.65-0.60 dis
3 months	1.70-1.65 dis	1.53-1.48 dis
12 months	4.85-4.70 dis	5.00-4.85 dis

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Treas. 12pc 1983	£100[illegible]	+ [illegible]	York Trailer	44	+ 3
Trans. 3pc '78-88	£66[illegible]	+ [illegible]	LASMO	264	+ 14
Avana	109	+ 5	Anglo Amer. Corp.	364	+ 10
Bowater	166	+ 5	Falcon Mines	305	+ 15
Britannic Assur.	160	+ 4	General Mining	545	+ 50
Elson & Robbins	94	+ 5	Gold Fields of SA	£16[illegible]	+ [illegible]
General Accident	226	+ 4	Hartebeest	£15	+ [illegible]
Green's Econ.	120	+ 6	Messina	87	+ 5
Inveresk	58	+ 3	RTZ	297	+ 7
Land Secs.	311	+ 4	Union Corp.	379	+ 15
MEPC	203	+ 5	Zandpan	257	+ 16
			FALLS		
Rush & Tompkins	157	+ 7	Dale Electric	134	− 14
Spillers	49½	+ 10	Decca A	325	− 10
Taylor Woodrow	380	+ 8	Hawker Siddeley	184	− 14
Unitech	200	+ 6	Letraset	127	− 4
Vaux Brews.	161	+ 8	Unilever	505	− 5
Wholesale Fittings	395	+ 5	Wilson Walton	12	− 3

CONTENTS

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EEC Trade Commissioner Wilhelm Haferkamp

EEC probe on expenses tests power of Assembly

By Giles Merritt in Brussels

THE EUROPEAN Court of Auditors' report which severely criticises EEC Commissioners' spending, is also likely to fuel controversy over the powers of the European Parliament. The investigation into the expenses incurred by the 13 Commissioners was instigated by Parliament early this year, apparently to emphasise its claim to be the Community's financial watchdog.

After Press allegations last January that Herr Wilhelm Haferkamp, the EEC External Relations Commissioner, had made extravagant use of his expense account, Sig. Emilio Colombo, the then-President of the European Parliament, asked the Luxembourg-based Court of Auditors for a detailed analysis of Commissioners' expenses.

The Parliament's demand for an independent review coincided with the quarrel then raging between Parliamentarians and the EEC Council of Ministers over the European Assembly's budgetary authority. The decision to scrutinise Commissioners' expenses was widely interpreted in Brussels as an attempt by the outgoing Parliament to arm its directly elected successor with a powerful weapon which would help it gain greater authority.

The Parliament enjoys the ultimate sanction of being able to fire all 13 Commissioners if it wishes, although it cannot pick out individuals.

Despite the political ammunition that the Court of Auditors' report clearly provides for a European Parliament seeking increased power, there has been no indication that Mme. Simone Veil, the Parliament's new president and former French Health Minister, was on the point of making it public.

Jonathan Carr adds from Bonn: The report's revelations are likely to bring sharp criticism from Bonn and demands for change—not least from the Finance Ministry and from Herr Helmut Schmidt's Chancellery.

When the press reports criticising Herr Haferkamp emerged, both coalition parties in the German Government spoke out in the Commissioner's favour. He is a member of Herr Schmidt's Social Democrat Party, and has a trade union background.

Dutch employers urge public spending cut

BY OUR AMSTERDAM CORRESPONDENT

The main Dutch employer's organisation yesterday warned the Government that it must reduce its share of the national income next year.

Five weeks before the Government presents its 1980 budget estimates, the Association of Dutch Industry (VNO) hinted that employers would be unable to take part in the annual autumn wage talks unless the public sector spending is cut back.

At this early stage in the economic debate about 1980, the Government and not the unions are emerging as the employers' main target.

The association has already calculated that the public sector will absorb all of the growth and more in the Dutch economy this year. This means that industry's share of the national cake has fallen in 1979, says Mr. Chris van Veen, the VNO chairman.

On the basis of wage agreements reached this year for 1.5m employees, the association calculates wage costs will rise by nearly 8 per cent, considerably more than the forecast of 5.5 per cent to 6 per cent.

Even though the unions made moderate wage demands, and attempts to introduce a 35-hour work week were rejected, pay rises have still been sizeable.

The employers want the Government to reduce their burden by compensating them retroactively from its natural gas revenue. This should be paid at the end of the year in the form of a reduction in the employers' social security payments or a tax rebate.

They are also calling on the Government to remove from the prices index, for rises in which employees are compensated twice a year. The sharp rise in oil prices has contributed to an increase in compensation and higher inflation.

According to Mr. van Veen, industry next year must improve unit wage costs by 8-10 per cent relative to other countries if the Dutch balance of trade is to be in balance by the mid-1980s.

PLAN TO SOLVE ACUTE TRAFFIC PROBLEMS

Amsterdam restricts the motorist

BY CHARLES BATCHELOR IN AMSTERDAM

AMSTERDAM is in the throes of a controversial five-year traffic plan designed to deal with pressures which threaten to choke the city's business and social life.

Few of the world's large cities have preserved their original shape as well as Amsterdam and few therefore face the problems besetting the Dutch capital. Concentric rings of canals around the city's medieval heart mean traffic planners can only tinker at the edges of a problem which elsewhere might be given more radical treatment.

Even so restrictions on the private motorist and similar proposals made in a number of other towns have polarised opinion between those in favour of the private car and those for public transport, the bicycle and the pedestrian while construction work on the city's roads has brought a stream of complaints.

Following protests over disruption and several demonstrations by taxi drivers which brought the city centre to a standstill for short periods, Amsterdam Council decided in June to halt all new projects until work under progress had been finished.

The business community has long complained that the difficulty of getting into the city centre is forcing companies to move out of Amsterdam. The department stores, too, say that the traffic problem is depriving them of business and leading to closures.

Amsterdam's Chamber of Commerce blames the loss of 10,000 jobs—10 per cent of the inner city total—in 1975 and 1976 on the problems of access. The profitability of the retail and service sectors is also lower than in the rest of the country, it noted.

After 10 years of studies Amsterdam City Council produced a traffic movement plan in June 1978. This proposes a series of networks spread over the city of tram, cycle, pedestrian and car and lorry routes. Each type of traffic would be kept apart from the rest as far as possible. Through traffic using the crowded 19th century inner suburbs would be barred by a careful selection of one-way streets and no entry signs.

The plan will increase the number of tram-only routes, cycle paths and pedestrian areas. The private motorist who uses his car to get to and from work is to be persuaded to use public transport, at least for the last part of his journey.

The traffic plan included plans to build a number of discretely designed multi-storey car parks in the city centre although this has since been dropped, to the fury of local business interests.

Traffic congestion is threatening to choke Amsterdam's business and social life.

With only two large multi-storey car parks in the city centre, and a third now under construction by a large department store, Amsterdam has deliberately chosen to make life difficult for the motorist.

On-street parking is practically the only opportunity open to the 30,000 drivers who bring their cars into the city daily. This is 10,000 cars more than the city can really handle and double parking and parking on the pavement increase the chaos. Work is already far advanced on making many of the city's dusty traffic-clogged squares into greener, pleasanter areas for the pedestrian and more parking spaces disappear each month.

While the population of the Netherlands is stabilising around the 14m mark, car ownership is continuing to rise. Nearly 4m vehicles are currently on the road and this figure is expected to rise by about 750,000 by 1985.

Amsterdam's plans do not go as far as those in some Dutch towns but because more people are affected the plans are just as controversial. An inner ring road is now being turned over primarily to trams and cycles to speed up non-car traffic going round the city centre. Roads where the trams fight for space with cars are being modified to keep cars off the tram lines altogether.

Stumpy metal poles are shooting up along the kerbside to keep off parked cars and pavements are being widened. Amsterdam's public works department has seized this opportunity to lay new sewer pipes to replace the present leaky system.

By 1980 Amsterdam's first—and probably its last—underground line will be complete. At a cost of more than Fl 1bn (£220m), four times the amount estimated when the plan was launched in 1968, the central station will be linked with the south-easternmost suburb of Bijlmermeer. A metro journey of 15 minutes will replace a car or bus journey up to four times as long.

The original plans for a network of metro lines under the city have been dropped. The soft wet subsoil means tunnels cannot be driven, so concrete caissons are built at ground level and sunk into the soil. This means the houses above must be cleared.

For Amsterdam the traffic problem is more acute than in most cities and its options are more limited. The conflicting demands of preserving the unique architecture and maintaining a viable economy mean the city council's traffic policies are likely to be a source of controversy for many years to come.

French shipworkers block liner's departure

BY ROBERT MAUTHNER IN PARIS

ANGRY FRENCH shipyard workers yesterday carried out their threat to prevent the departure from Le Havre of the former transatlantic luxury liner France, which is due to be converted into a cruise ship by its new Norwegian owner.

Since Tuesday, members of the Communist-led CGT union, who are protesting against the award of a refitting contract to a West German instead of a French repair yard, have occupied a harbour lock to bar the liner, recently re-christened the Norway, from leaving Le Havre.

The protesting shipyard workers have been joined by tug-boat captains and crews, who have refused to tow the ship out to sea as long as the lock at the entrance of the port is occupied. The strikers have been helped by unfavourable weather conditions, which would, in any case, have delayed the departure of the liner.

The shipyard workers have announced that they will continue their protest action until they have been given satisfaction. They have sent a telegram to President Giscard d'Estaing demanding that at least some of the repairs to the ship should be carried out in Le Havre.

The Norway's new owner, Mr. Knut Klosters, gave Le Havre repair yards first option for refitting and converting the liner into a Caribbean cruise ship. But the French bid was so much higher than that of the Hapag-Lloyd shipyard in Bremen, that he was left no other choice than to award the contract to the West Germans.

Argentina arrests Italian terrorist

Sig. Giovanni Ventura, the fugitive neo-fascist found guilty of taking part in the 1969 Milan bomb outrage and facing life imprisonment in Italy, has been arrested in Buenos Aires, writes Paul Betts in Rome. Italy has asked for his extradition. The arrest is expected to give the new government, a major psychological boost.

According to the Interior Ministry, Sig. Ventura after escaping from jail on January 13, went to London and then to Buenos Aires with false papers. His hiding place was traced by the Italian police in collaboration with Interpol and the Argentine authorities.

His escape caused a public outcry and led directly to the dismissal of Sig. Giuseppe Parlato, then head of the Italian national police. However, in the eyes of the public, Sig. Parlato had been made a scapegoat for the failings of the Government.

Turkey-PLO accord

Turkey has become the first NATO country to accord full diplomatic status to the Palestinian Liberation Organisation, writes Metin Munir in Ankara. Mr. Gunduz Okcun, the Turkish Foreign Minister, and Mr. Farouk Khaddoumi, the PLO's Chief of Political Bureau, yesterday signed a protocol, establishing diplomatic relations.

Denmark's budget

The Danish 1980 budget presented yesterday projects a smaller deficit and slower growth in public spending, writes Hilary Barnes in Copenhagen. However, by tradition the budget is not used to announce economic policy changes and alterations are after Parliament's summer recess, says Finance Minister Knud Heinesen. At present Government spending is set at DKr 118.9bn (£10.1bn), a rise of 7.3 per cent; revenue is expected to rise to DKr 108.2bn, up 10.5 per cent. Total borrowing requirement is put at DKr 39bn, almost unchanged.

Swiss prices rise

The Swiss annual inflation rate last month reached its highest level for well over four years, writes John Wicks in Zurich. The cost of living index showed an increase over the year of 4.3 per cent. However, the rise over the previous month was only 0.2 per cent, marking a deceleration in the recent relatively rapid growth in the Swiss price index.

Polish broadside

West Germany's Social Democrat and Social Christian parties are the most serious threat to detente in Europe, according to the Polish party newspaper Trybuna Ludu, writes Christopher Bobinski in Warsaw. The attack comes on the eve of a one-day visit to the Polish capital by Chancellor Helmut Schmidt. Meanwhile in Czestochowa, Cardinal Wyszynski, the Polish Primate, told a crowd of 150,000 that human rights must be observed if real peace is to be preserved.

Prague may put dissidents on trial this month

BY PAUL LENDVAI IN VIENNA

THE CZECHOSLOVAK leadership is reported to be preparing a major trial of ten leading members of the Charter '77 human rights group detained since May 29.

The accused, at what would be the largest trial since the August 1968 Soviet-led invasion of Czechoslovakia, face as much as five years' imprisonment if convicted on charges of "subversive activities against the state." Those additionally charged with "foreign contacts" could be sentenced to up to ten years.

Reports from Prague say the dissidents are to be tried this month, to coincide with the 11th anniversary of the invasion.

However, some emigré charter supporters discount the likelihood of a spectacular trial this month. They predict that the Prague authorities will continue their game of cat and mouse, to divert international attention from the fate of the arrested activists.

Charter '77 was a manifesto published in January 1977 protesting against what it said were violations of the human rights provisions of the Helsinki European security agreement signed by the Czechoslovak Government in August 1975. The manifesto has been signed by some 1,100 Czechoslovaks, most of whom have been subjected to harassment.

Among the detainees are two spokesmen of the Charter '77 group, Mr. Jiri Dienstbier, 42, a former foreign correspondent for Prague Radio, and Mr. Vaclav Benda, 32, a mathematician, who represents the Catholic group among the dissidents. The best-known figure internationally it Mr. Vaclav Havel, 42, the playwright, who was sentenced in October 1977 to a suspended jail term of 14 months.

All 10 of those detained on May 29, including Dr. Jiri Nemec and his wife Dana, psychologists, Father Vaclav Maly, Mrs. Ota Bednarova, a former television commentator, Mr. Ladislav Lis, the erstwhile secretary of the Youth Federation, Mr. Petr Uhl, a teacher, and Mrs. Jarmila Belikova, a psychologist, belonged to the "Committee for the Defence of the Unjustly Persecuted."

Western observers are puzzled about the reasons for the crackdown, which came after President Gustav Husak and Mr. Lubomir Strougal, the Prime Minister, had been trying to normalise relations with neighbouring Austria and West Germany.

The Charter '77 group has released documents about such issues as nuclear safety, the plight of the gypsies, and the background of the economic difficulties in Czechoslovakia. The official campaign against it is seen by some dissidents as part of a concerted campaign, embracing the Soviet Union and East Germany, to destroy the human rights movements.

Dr. Gustav Husak

Austrian officials do not exclude the possibility that the Charter '77 leaders will again be given the opportunity to go into exile.

The last major group trial in Czechoslovakia took place in 1972, when six dissident activists were sentenced to prison terms of up to six-and-a-half years.

The Austrian border authorities report a rise in the number of refugees from Czechoslovakia and other East European countries. During the first half of this year, 1,555 East European refugees or defectors asked for asylum in Austria, compared with 1,372 in the same period of 1978. Most of them came from Poland, Czechoslovakia, Romania and Hungary.

Irish lower growth rate target to 5%

BY STEWART DALBY IN DUBLIN

IN THE first official government projections for the Irish economy this year, the Department of Finance maintains that a 5 per cent growth rate in gross national product (GNP) could be achieved. The Government has thus formally lowered its target from 6.5 per cent earlier.

The 5 per cent growth now forecast is higher than other organisations are predicting. The highly respected Economic and Social Research Institute has said it thinks the Irish economy will grow by only 2 per cent this year. The EEC has predicted 3.8 per cent growth.

Moreover, the Government's 5 per cent projection is conditional. In the Department of Finance's Economic Review and Outlook, Summer, 1979, it says: "A growth rate as high as 5 per cent could be achieved. This expectation depends on a significant improvement in the industrial relations climate and on energy supplies not acting as a greater constraint than currently appears likely."

In other words, the 5 per cent forecast seems an optimum, based on hopes that wage increases are contained within the 16 per cent rises the document envisages, and the likelihood that oil prices will not go on rising too steeply.

The paper has little specific to say about the other two goals of government policy outlined in a White Paper earlier this year. Besides the 6.5 per cent growth rate, the Government had hoped to reduce unemployment by 25,000 this year (it is now something under 100,000, out of a workforce of 1.1m). It also had hoped inflation would be down to 5 per cent by the end of the year.

While unemployment has been falling this year, inflation has risen, largely because of the cost of oil, of which Ireland has no indigenous sources. The document gives no yearly figure for inflation, but says the consumer price index for the first two quarters increased by over 7 per cent.

Independent organisations are predicting a yearly rate of between 12 and 15 per cent.

The document forecasts a £500m balance-of-payments deficit, compared with £158m in 1978. However, it feels confident that this gap will be covered by capital inflows.

The impact of the energy crisis and industrial unrest on growth and employment in 1979 and subsequent years will be considered in a White Paper to be published later this year.

Prospects poor for narrowing wealth gap

By Our Foreign Staff

THE WEALTH gap between the world's richest and poorest nations is unlikely to narrow in the next decade, the World Bank reported yesterday.

It said in its annual World Development Report: "It is clear that massive disparities in living standards will persist among the nations of the world."

Gross Domestic Product per capita in developing countries is expected to grow at an annual rate of 3.3 per cent between now and 1990, lifting it from $499 in 1975 to $773 in 1990—an overall increase of 54 per cent.

During the same period, industrialised countries can expect to grow at a rate of 3.7 per cent a year, raising GNP per capita by 70 per cent to $9,999.

The developing countries' share of global GDP is expected to rise by about 5 per cent to 20.2 per cent, while the share held by the industrialised countries should fall by 2 per cent to 62.5 per cent. Export shares barely change.

Nearly half the population in the developing countries lives in "low income" Asia, yet this region accounted for only 14 per cent of the developing countries' GDP, 7 per cent of their exports and 10 per cent of their net capital flows in 1976.

"Nor are these shares expected to change significantly by 1990," the report says.

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Developing nations must find work for another 500m by year 2000

BY DAVID DODWELL

THE DEVELOPING countries will have to find jobs for more than 500m extra people between now and the end of the century, according to the World Bank.

In the World Bank's second annual World Development Report, published today, it says job creation will be one of the foremost problems confronting leaders of the poorest nations. It will be accompanied by urban population growth on an unprecedented scale.

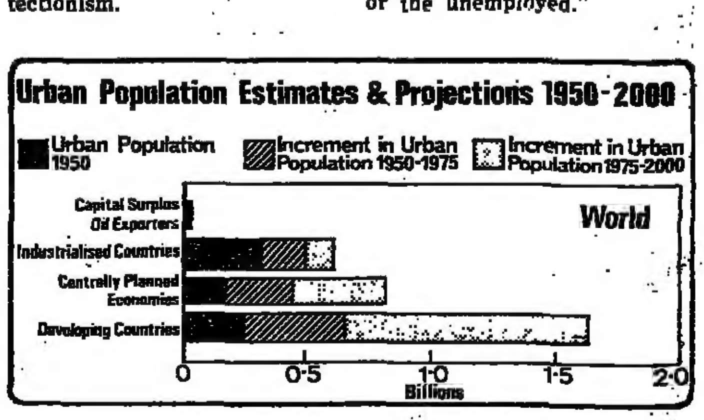
As the total labour force in developing countries rises from around 750m now to 1,250m by the year 2000, the number of people living in towns and cities in these countries will soar from 650m now to over 1,600m.

Many people already in these cities live on the margins of absolute poverty. Two formidable problems have to be faced: finding productive work for the new arrivals, and averting a collapse of health services, sanitation and other public services in the cities which will house them.

The report is the second of a series dedicated to assessing "global development issues," and it focuses on employment, industrialisation and urbanisation. It concentrates on what it calls the "middle income countries," a diverse group of 55 countries which the World Bank feels have certain traits in common.

First, they have an average per capita income of more than $300. Second, each has a well-established industrial base: in 1975, the average contribution of manufacturing industry to Gross National Product (GNP) was 37 per cent. Similarly, in 1975, an average of 47 per cent of their respective populations lived in urban centres.

In analysing the problems facing these middle income countries, and in formulating alternative development strategies, the bank moves away from its usual emphasis on world trade, interdependence, and the short-sightedness of protectionism.



It examines the obstacles to economic growth that persist inside poor countries: the balance between industrial and agricultural development, unemployment and under-employment; income distribution; population growth; the impact of energy price increases; and the problems of raising investment capital both domestically and on the international money markets.

The bank considers urban growth to be "inexorable"—and not necessarily all bad. The concentration of population in cities is "a necessary adjunct of a development process which relies predominantly on the growth of modern industry rather than on agriculture."

It says the view that cities are "burdened with a flood of uneducated, unskilled and unmotivated migrants" is false. Migrants are comparatively well educated and highly motivated, and "are not represented disproportionately among the poor or the unemployed."

The problems caused by rapid urban growth, particularly in a small number of cities, are nevertheless serious.

The bank proposes several ways of ameliorating them. First, it recommends a policy shift in favour of the urban poor. This would require spending money on buses rather than on underground railways (which by and large benefit the rich), on preventive medicine rather than curative medicine, and on urban renewal rather than slum clearance. All these shifts would make life for the urban poor much more tolerable—and would cost local authorities no more money than the present policies.

Second, cash should be spent on developing agriculture, particularly small farms. These are "fundamental to the expansion of employment and the alleviation of poverty in most middle income countries," the bank says. It recommends governments to invest heavily in roads, rural electrification, and rural non-farm enterprises—a process which would "forge mutually beneficial links between industry and agriculture"—and of course lessen the lure of urban employment.

The bank then recommends that new cities be built, and that greater efforts should be made to control population growth.

To create new jobs, the bank again sees agriculture as the brightest hope. The small farm "has shown a remarkable capacity to provide employment for rural labour," the report says. Land distribution and the widespread distribution of credit and extension services are also important for generating employment in agriculture, it says.

Similarly, non-farm rural work—in canning factories, repairing agricultural machinery, or maintaining irrigation systems—offers considerable employment potential.

The World Bank argues that those countries which have "biased" their economic growth towards industry—and this includes those which opted for import displacement rather than export-led growth — are growing at a slower rate than those concentrating on agriculture.

Rapidly rising energy costs have slowed economic growth in developing countries, but not to the extent that many analysts might have predicted in 1974. Developing countries managed to increase gross domestic product (GDP) by an average of 5.7 per cent between 1970 and 1976.

The bank is cautiously optimistic for the future: "The increase in the real price of energy during the next decade need not be large if sustained efforts are made to develop both oil and non-oil energy resources and to restrain demand for energy, and if there are no major production setbacks as a result of political disturbances or oil conservation policies."

Developing countries are to be helped to explore and develop domestic energy sources, to increase the efficiency of non-commercial and non-conventional energy sources, and to adjust to higher energy prices.

The most serious worry is that of a disrupted energy supply. A gradual and predictable increase is preferable to "sharp changes at unpredictable intervals," the bank argues.

None the less, it says if real oil prices rise 30 per cent above present levels by 1990, $30bn will be added to the balance of payments burden of non-oil producing developing countries. This would be some 3 per cent of their total exports by that year, and nearly 20 per cent of expected long and medium term capital inflows.

THE WORLD BANK REPORT

Talks on Norway-Iceland fishing dispute to restart

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

THE NORWEGIAN Government has averted a "fish war" with Iceland by ordering Norwegian boats to stop fishing off Jan Mayen Island by noon on Saturday. It has also agreed to an Icelandic Government suggestion that the two countries resume negotiations on fishing in the area. Earlier talks broke down at the beginning of July.

The situation reached a climax this week, when Mr. Kjartan Johansson, Iceland's Fisheries Minister, warned Norway to halt fishing for capelin off Jan Mayen, claiming that the Norwegian catch had already reached the 90,000-ton target provisionally agreed during the aborted July talks.

The dispute arose when the Norwegian Government, under strong pressure from its fishermen, announced its intention to declare a 200-mile economic zone around Jan Mayen. That zone would overlap the 200-mile zone which Iceland declared in 1975, sparking off the third "cod" war with Britain.

There are wider political connotations because opposition in Iceland to the North Atlantic Treaty Organisation base at Keflavik, outside Reykjavik, tends to grow whenever Icelandic fishing rights appear to be threatened by a NATO ally. The Norwegians have accordingly tried to gain Iceland's agreement.

Icelanders reject Norway's right to operate such a zone. They are particularly concerned because the capelin caught by Norwegian purse seiners off the island belong to the stock heavily fished by Icelandic boats later in the year. Norwegian fishermen turned their attention to Jan Mayen after their share of the Barents Sea capelin fishing had been severely cut by an agreement with Russia.

Run-off likely in Nigeria's presidential election

BY MARK WEBSTER IN LAGOS

A RUN-OFF is almost certain in Nigeria's Presidential election after the declaration yesterday of the result from the northern state of Kano.

The National Party of Nigeria, the only party with any chance of winning on the first round, has failed to gain the required 25 per cent of the vote in two-thirds of the states because of its poor showing in Kano.

To ensure a national character to the Presidency, the constitution says a candidate must obtain at least one-quarter of the votes in two-thirds of the 19 states before he can be elected on the first round.

With 17 of the results declared, it is clear that the National Party under its Presidential candidate, Alhaji Shehu Shagari, cannot achieve the minimum. It is likely to do so in 12 of the states and the next biggest party, the Unity Party of Nigeria, has achieved the 25 per cent minimum in only six of the western states, where it has its stronghold.

The National Party has challenged the accepted interpretation of the two-thirds ruling saying that it needs only 12 states with 25 per cent and one with two-thirds of 25 per cent.

If the party can persuade the Federal Electoral Commission to accept that interpretation, they would be winners on the first round because the National Party did win 20 per cent of the vote in Kano. But observers feel the commission is unlikely to accept such an interpretation.

If the National Party interpretation is rejected, the run-off will be decided by an electoral college consisting of the two federal Houses of Assembly—the Senate and the House of Representatives—along with the regional House of Assembly members from each of the 19 states. They should assemble in Lagos next Saturday for the vote.

Chief Awolowo—determined to be President.

From the results so far, the National Party clearly has the biggest following, having united the powerful northern vote with that of the minority tribes around the country. But it does not have an absolute majority of the voices in the electoral college and will therefore have to depend on one of the smaller parties for support.

The next largest party, the Unity Party, could also take the presidency provided it could get the support of one or more of the other four parties. Its presidential candidate Chief Obafemi Awolowo is said to be determined to secure the presidency for himself and has already suggested various alliances.

The real power broker will be the third largest party the Nigerian People's Party led by Dr. Nnamdi Azikiwe. His party has taken three of the 19 states and he could decide the contest by directing his party members to vote for one of the other parties.

The picture is complicated by many ethnic and personal conflicts between the parties and their candidates. Observers feel, for instance, that People's Party supporters who are mostly from the East of the country, would not be prepared to vote for Chief Awolowo who is from the West.

The likely victor, therefore, remains the National Party under Alhaji Shehu Shagari. Being a Northerner he will also be seeking support from the other two, smaller parties which also have northern bases, the Great Nigeria People's Party led by Alhaji Waziri Ibrahim and the People's Redemption Party of Alhaji Aminu Kano.

A lucrative brain and brawn drain

...The Philippines is faced with an exodus of workers attracted by higher wages in areas such as the Middle East. DANIEL NELSON reports from Manila on the value to the country of this export of labour and on efforts by Filipino companies to secure overseas contracts.

WHEN THE son of a Filipino businessman was shot dead in a Manila street recently, it was assumed that the murder was an aborted kidnapping. It turned out that the culprit was taking revenge for the broken promise of a job abroad.

In a country with an unemployment rate of 6 per cent and underemployment at about 10 per cent of the labour force, overseas jobs provide a useful safety valve. They are also increasingly valuable in terms of foreign exchange earnings.

Remittances (including those of seamen) totalled $150m in the first half of this year up from $117m in the same period of 1978. (Construction workers and seamen are required to remit 70 per cent of their earnings, other workers 30 per cent.)

The export of land-based labour began in the 1920s with recruitment for agricultural work in Hawaii. There are now over 500,000 Filipino immigrants in the U.S. The emphasis shifted in the 1960s with the demand for loggers in Indonesia and for construction workers in south-east Asia for projects associated with the Vietnam war.

Since 1974, however, the thrust has been in the Middle East, particularly Saudi Arabia. An International Monetary Fund survey found that Filipinos working in the Middle East remitted $474m between 1974 and 1977. The proceeds represent a brain as well as a brawn drain, for one out of every six workers came from the professional or technical categories.

The exodus has created shortages of welders, computer operators, cable splicers and other skilled workers at home. Oil refiners have been particularly vocal about losing staff and even bus operators complain that it is increasingly hard to retain drivers. The Overseas Employment Development Board has drawn up a list of "critical skills," and asked that their outflow be staggered.

Another headache is provided by illegal recruitment agencies, which constantly run off with job-seekers' fees, or recruit for jobs where conditions are harshly exploitative. Over 200 cases against illegal agencies are awaiting court action.

The government failed to eliminate the private agencies, and is now content with having reduced their number from 200 to 19.

Demand for Filipino labour is based on the widespread use of English in the Philippines (which likes to describe itself as the world's fifth largest English-speaking nation), availability of skills, and personal adaptability.

The shift to the Mideast began with the despatch of 3,500 medical personnel to Iran in 1975. Within a month, thousands of other doctors and nurses, entertainers, hotel and clerical staff and, above all, construction workers, were heading for the Arab world.

According to the Overseas Placement Association of the Philippines, 39,160 workers were sent abroad last year, mostly to the Middle East, compared with 36,305 in 1978 and 12,000 in 1975.

In an attempt to emulate the success of the South Koreans, who had $10bn worth of construction contracts underway in the Middle East last year, the Government established the Overseas Construction Board and the Export and Foreign Loans Corporation, and stipulated that Filipino construction workers could be recruited only for contracts won by Philippine companies.

This has not yet been achieved, although contractors have been helped by the two organisations. Last year, the corporation approved 675m pesos (about £41m) in advance payments and performance guarantees, almost all on Middle East contracts. And in May, the organisation signed a $60m agreement with Credit Suisse to guarantee contractors' operations in ten Arab countries. This is expected to become operational by next September.

The deal, which should save contractors between 1.5 and 2 per cent of financing expenses, is said to be the first guarantee facility given directly to a government financial institution available in several countries and for the use of several companies.

It involves the largest group of leading Arab financial institutions represented together in the management of a transaction

Col. Edgardo Abesamis, Deputy Executive Director of the construction board, says $360m worth of new contracts were signed last year, with the 1979 level likely to top $500m. Net remittances by Philippine companies rose from $9.97m in the last quarter of 1978 to $21.17m in the first quarter of 1979.

Almost 80 per cent of the contracts are accounted for by four companies: the Construction Development Corporation of the Philippines (CDCP), Atlantic Gulf, Erectors, and Engineering Equipment (EEI).

Apart from the straight economic benefits, the Government is keen on the Middle East as a labour destination because it helps counterbalance the two other main links with the region: Manila's dependence on Arab oil, and the Islamic Conference's commitment to autonomy for the Moslem minority in the southern Philippines.

That minority is waging a deliberating war against the central Government, but is useful in providing manpower for contracts requiring Moslem workers, as in the CDCP's $171 stormwater project in Mecca. EEI is exploring the possibility of joint ventures with Malaysian companies for jobs in which religious affiliation is a key factor.

The biggest operational problem is the boredom of the workers, who miss the wine, women and songs of their homeland.

"Does that mean you won't be going back?" I asked a construction worker celebrating his return.

"Oh, no," he replied. "I can earn eight times more than my salary in the Philippines."

Fraser's coalition seeks better image

BY JAMES FORTH IN SYDNEY

THE FEDERAL EXECUTIVE of Australia's Liberal Party will meet in Canberra next week to examine ways to reverse what it sees as an alarming fall in the popularity of the Liberal-National Country Party coalition Government.

The meeting will be presided over by Mr. Malcolm Fraser, the Prime Minister, who returned from the Commonwealth Conference in Lusaka to find genuine concern in the Administration about the poor public image of himself and his Government.

Public opinion polls have shown that if an election were held now the Government would suffer a resounding defeat. Mr. Philip Lynch, Deputy Leader of the Liberal Party, has just completed a tour of Australia during which he spoke to senior Party officials, parliamentary leaders and others. He found considerable dissatisfaction with Mr. Fraser's leadership in recent months and concern over the Government's apparent inability to sell its policies to the public.

The Prime Minister accepted most of the criticism on his return and agreed that he needed to "smarten up." Mr. Fraser said his Government might have raised expectations too high. "We certainly raised expectations too high about the economy's capacity to improve unemployment," he said. "Quite clearly there has got to be evidence of a greater degree of determination. We have got to get the message across better than we have."

Shattered expectations on unemployment are only part of the explanation. The Government is seen as consistently breaking promises on matters such as taxes and health services.

Infighting between the Liberal and National Country Party has also helped to create an impression of disunity. The most recent example was the decision of the state Liberal Parties in Queensland and Victoria to contest National Country Party seats in future elections.

Mr. Fraser's unpopularity was demonstrated this week when he attended a A$ 250 (£125) a-head fund-raising meeting in Sydney and was greeted by a crowd of 200 people, mostly unemployed, who pelted guests with tomatoes, meat pies and soup.

Mr. Fraser insists that the Government must maintain its economic policy, which was designed to reduce inflation (although the inflation rate has begun to move upwards again

Afer the 1979-80 Federal Budget has been delivered next week, Mr. John Howard, the Treasurer, is expected to travel Australia endeavouring to put a positive aspect on the package.

A further indication of concern about the Government's performance is the suggestion that a key federal back-bench committee will recommend a reshuffle of the Federal Ministry as soon as possible. The committee is expected to recommend that Senator Reg Withers, who was sacked by Mr. Fraser after a Royal Commission into electoral redistribution in Queensland, should be restored to the Ministry.

Reuter adds from Melbourne: A strike by maintenance crews responsible for cleaning pipelines has reduced Bass Strait oil production by about 30,000 barrels a day, Esso Exploration and Production Australia said yesterday.

Production, carried out jointly by Esso and the Broken Hill Property Company, had been running above 400,000 b/d

Egypt seeks U.S. aid for munitions industry

BY ALAN MACKIE IN CAIRO

EGYPT has presented a visiting U.S. military delegation with requests for aid to revamp its munitions industry.

The industry formed part of the Arab Organisation for Industrialisation (AOI), which Egypt set up with Saudi Arabia, the United Arab Emirates and Qatar, and which was disbanded as part of the measures taken against Egypt because of its peace treaty with Israel.

The main topic of negotiations with the U.S. delegation, headed by Mr. David McGiffert, Assistant Secretary of Defence, who left Cairo yesterday, was a list of armaments and spares requested by Egypt to offset the deterioration in the condition of its armed forces following the switch from Soviet supplies and the loss of Saudi defence aid.

The loss of $2bn a year arms aid from Saudi Arabia has left a hole in Egypt's defence budget which U.S. help only goes a quarter of the way to filling. The provision by China of up to 80 Shenyang F-6 fighters only partially compensates for the steady deterioration in combat readiness of Egypt's MIG-21 fleet—the backbone of its strike force. Pilots are flying only a few hours a week because of problems with maintenance and spares.

A U.S. embassy spokesman declined comment on the nature of the arms Egypt had requested but said the talks were aimed at defining Egypt's requirements. Cairo's suggestions and requests are being taken back to Washington for further study.

The requests are thought to go well beyond the $1.5bn three-year armaments aid package which Congress approved after the signing of the peace treaty with Israel. A large slice of that is tied up in the purchase of 35 F-4 Phantom fighters and 800 armoured personnel carriers which Egypt has already requested.

President Anwan Sadat last week appointed himself chairman of a committee to run the Arab Organisation for Industrialisation, whose frozen deposits are fast becoming inadequate to keep its plants running. Decisions have to be taken soon with AOI's foreign partners on future financing and planning.

General Kamal Hasan Ali, the Defence Minister, has announced in a television interview that the length of conscription is to be increased to secure strong armed forces. The peace treaty has brought no diminution in the military budget which is said to be about the same as last year.

David Buchan reports on the shake-up at the White House

Old politics behind the new faces in Jimmy Carter's entourage

JIMMY CARTER, once hailed as the creation of the "new politics," moved to honour the traditional political balances in his shake-up of the White House staff last Friday.

The appointments have geared up his 1980 re-election campaign, brought in a proven manager and widened the political base of his entourage, broadening his appeal at the same time to the various constituencies in the U.S. electorate.

Unlike the Cabinet reshuffle in which five members resigned or were fired, the treatment meted out to those departing the White House was of the gentlest. The one notable casualty, Mr. Robert Lipshutz, who as the President's counsel *had burned Mr. Carter's fingers* in advising him to stick by his erstwhile and erring Budget Director, Mr. Bert Lance, is to return home to Georgia to lay the ground work there for an eventual Carter presidential library.

Nor had foreigners any cause to panic and sell dollars, as they did when Mr. Carter took the axe to his Cabinet.

But the White House changes will set the course for the remaining 16 months of the Carter first term. That the changes were announced to the Jress by Mr. Hamilton Jordan, the new 34-year-old chief of staff, was *significant*.

It was the first time the controversial Mr. Jordan was seen to act publicly in the President's name.

The largest number of changes relates to the 1980 campaign, which Mr. Jordan, for all the political trust vested in him by President Carter, cannot run blow by blow from the White House. So the formal manager of the Carter-Mondale re-election campaign is to be Mr. Tim Kraft, a political assistant whose original claim on the President's gratitude was that he won Mr. Carter the Iowa State *Democratic caucus in January 1976. Success in that* state again next January will be vital to Mr. Carter, and his Mississippi paddle boat trip in the coming week has been programmed to dock in two Iowa *towns along the way*.

Promoted into Mr. Kraft's place is Sarah Weddington, a Texan lawyer who will still continue to deal with women's issues. Mr. Carter has had a *less than happy rapport* with the women's movement, an enormous constituency that a U.S. presidential candidate ignores at his peril.

The advent of Mr. Esteban Torres into the White House, after representing the U.S. at UNESCO in Paris, is designed to improve Mr. Carter's ties with Hispanic-Americans, the country's fastest growing ethnic minority, and with the unions. Mr. Torres was also a leading light in the United Auto Workers Union.

Coalition building is the name of the U.S. electoral game, and the new pieces in the White House fit into the cabinet political jigsaw. Mr. Carter has two blacks there—Mr. Andrew Young as UN ambassador and Mrs. Patricia Harris, who has the political merit of being black and female, as the new Health, Education and Welfare Secretary.

She succeeded Mr. Joseph Califano—for whom there is now a replacement Italian-*American in the Cabinet*, Mr. Benjamin Civiletti, the new Attorney General.

The new White House staff director is Mr. Alonzo McDonald. His appointment is *not a pitch at some Scottish*-Hispanic group—even in the American melting pot no prominent constituency of this nature has emerged—but is aimed at bringing in a mature, managerial type to cope with

Backing up his Georgia advisers, Press Secretary Jody Powell *(above left)* and Chief of Staff Hamilton Jordan *(above right)*. President Carter has chosen Patricia Harris *(below left)* as Health Secretary and continues to rely on his Middle East negotiator, Robert Strauss.

Mr. Jordan's notorious weakness in organisation. Seventeen years Mr. Jordan's senior, Mr. McDonald is a former managing director of McKinsey, the international business consultants.

He has also just wound up two years as Mr. Robert Strauss's deputy at the Geneva trade talks. His new job comes at Mr. Strauss's direct suggestion, another indication of how heavily Mr. Carter leans on Mr. Strauss's guidance, and how, despite Mr. Strauss's present Middle East responsibilities, the President is likely to do so during the coming election year.

Mr. Carter has been long criticised for walling the White House with fellow Georgians. What the term "Georgian" has partly come to mean in this pejorative context is provincial and lacking in the administrative skills that the Washington establishment respects.

Thus, Mr. Jordan and Mr. Jody Powell, the Press Secretary, are frequently tarred with this brush, while Mr. Stuart Eisenstat, the able catch-all domestic policy adviser, and no less a Georgian, usually escapes. But all three are also seen as "Georgian" in the sense they owe their rise solely to Jimmy Carter, and have no other power base.

It is partly to correct this impression of the King surrounded by fawning courtiers that Mr. Hedley Donovan, the recently retired editor in chief of Time Inc., has been brought in. His role has only been defined in the broadest and vaguest terms *as adviser on foreign and* domestic issues. But, apart from Mr. Zbigniew Brzezinski, the National Security Adviser, Mr. Donovan will apparently be the only White House man not to need Mr. Jordan's say-so to reach the President.

As one Carter aide (not from Georgia) privately put it this week, *Mr. Donovan, as a big time* East Coast journalist and publisher has "made it in a world that is still a mystery to a lot of people here, and which scares them slightly."

The White House now intends to call the Cabinet's shots in setting the Administration's overall course. Mr. Carter made this clear when he repeatedly stressed the loyalty of his new cabinet selections. Just as clearly his brave new experiment of holding regular and full cabinet sessions—more than 60 in his first two years, a record in modern times—is dead and buried. In now downgrading his cabinet's role, he is in fact reverting to the norm of his post-second world war predecessors.

In this sense, White House officials were right to complain that foreigners over-reacted to last month's news that the whole Carter cabinet had resigned.

The manner was back-handed to a degree, and unnecessary because Mr. Carter only wanted a handful of resignations. But to equate it with similar action in a European parliamentary system mistakes the nature of an American cabinet. Less a reflection of the party in power and more an extension of the President's staff, cabinets are chosen, meet and hold office at the pleasure of the President, the only nationally elected official.

However, the justifiable concern abroad about the Cabinet shake-up was that it betokened the bending of U.S. policies.

A hWite House official sought to make the point that the era of strong cabinet officers is not over. He said that Mr. G. William Miller, at the Treasury, and Mr. Charles Duncan, at the Energy Department, were particularly strong new cabinet secretaries, and would therefore be given rein.

Their predecessors, Mr. *Michael Blumenthal* and Mr. James Schlesinger, had had to go, this official claimed, because their political weakness had thrown too many policy decisions back into the White House, *where they did not belong*.

Senator calls for Young's sacking

BY *DAVID BUCHAN IN WASHINGTON*

SENATOR ROBERT BYRD, the Democratic majority leader, yesterday urged President Carter to fire Mr. Andrew Young, his ambassador to the UN, for his "inexcusable" discussion last month in New York with a Palestine Liberation Organisation representative.

Mr. Young, who admitted not telling the State Department the full truth about his controversial PLO meeting, flew here yesterday morning for a 45-minute meeting with Mr. Cyrus Vance, the Secretary of State. There was no immediate word on the outcome of the meeting.

Mr. Vance, acting with the President's approval, sharply reprimanded the UN ambassador on Tuesday *for his* "unauthorised" encounter with the PLO representative, Mr. Zehedi Terzi. The U.S. has promised Israel not to deal in any way with the PLO until it recognises Israel.

Though Mr. Young, a black Georgian and a former Congressman, seems to have led a charmed life through previous diplomatic gaffes, this incident is the most serious since he started his UN job and has provoked an angry official Israeli protest.

But Mr. Terzi himself *sought to come to Mr. Young's* aid yesterday, declaring that he had discussed no substantive issues with the U.S. diplomat, only the procedural question of postponing a Security Council vote on the Palestinian issue.

Mr. Vance said through his spokesman on Tuesday that Mr. Young was "an able representative of the U.S.", and President Carter, with whom Mr. Young's fate lies, has shown himself in the past loyal to long-time associates like Mr. Young.

On the other hand, Senator Byrd is a powerful wheel in

Ambassador Young

Congress and a supporter of the President on most policies. *In his telegram to Mr. Carter*, Senator Byrd said that Mr. Young's "liabilities outweigh his assets in his current position. I respectfully urge that if Mr. Young is to remain in a high Government position, that it be in a less sensitive post."

Koch reports $200m drop in NY deficit

BY JOHN WYLES IN NEW YORK

EVERY LITTLE helps, and Mr. Edward Koch, New York City's mayor is crowing about having taken the city another small step towards financial respectability by shaving $200m off its projected 1979 budget deficit.

After years in which deficits have tended to be larger rather than smaller than expected, Mr. Koch *has marked* the end of his first full fiscal year in office by announcing that the deficit for the 12 months ended June 30 looks likely to have been $460m instead of the projected $660m.

Conscious of the pressures on him to improve city services and to fatten a *few municipal* payrolls, the mayor stressed that under existing legislation, the money saved could be used only to reduce the city's debt and not *for higher expenditures*.

At least $100m of the money would go to reducing New York's long-term debt, while the balance would keep the city out of the short-term borrowing market until later in its 1980 fiscal year, said Mr. Koch.

Most of the magic $200m con*sists of an unused contingency* reserve which was set up to cover unforeseen revenue shortfalls or spending increases.

The smaller than expected deficit will win New York some credit in Washington, where its affairs are closely monitored because of the federal Government's commitment to provide long-term loan guarantees to smooth the city's re-entry into the bond markets.

Under the conditions attached *to this aid package*, New York must balance its budget according to generally accepted accounting principles in 1982. Every sign of progress may be seized upon by supporters of the proposition that a similar loan guarantee package should be devised for the ailing Chrysler Corporation.

New Brazilian moves to control inflation

BY DIANA SMITH IN BRASILIA

THE STRONG-WILLED duo of *Sr. Delfim Netto, Brazil's* new Planning Minister and economic overlord, and Sr. Karlos Rischbieter, the Treasury Minister, took only a few hours yesterday to announce anti-inflation measures.

Interest rates are to be fixed and the overheated speculative overnight money market will be the target of reforms that go beyond the plan to open a clear*ing house for treasury papers*, Sr. Rischbieter said.

The Treasury will also exercise stricter criteria over cheap, subsidised credit to farming and small businesses. Lack of discrimination has caused a stam*pede for cheap credit which has* swollen inflation markedly.

Sr. Rischbieter and Sr. Netto must also grapple with increasingly articulate and organised wage claims, often backed, by industrial action. Currently, 100,000 building labourers, metal workers, post office workers and teachers are on strike in various States.

Sr. Netto's appointment has not been well received by trade union leaders, who remember his days as Finance Minister during the Brazilian "miracle," fuelled by cheap oil and labour. Times have changed.

However, Sr. Netto now appears more likely to follow in the footsteps of President Figueiredo, who is resisting conservative pressures and pro*moting a humane Government* image, while gradually easing restraints on free wage bargaining and tightening the reins on price and financial speculators. Bwillbha

Bolivian leaders accused

LA PAZ — Gen. Hugo Banzer, who ruled Bolivia for seven years, and Gen. Juan Pereda Asbun, another former president were yesterday accused before the Senate of crimes against national security.

Gen. Banzer and Gen. Pereda are charged with turning over Bolivians and foreigners living in Bolivia to the Chilean Government of Gen. Augusto Pinochet. They were allegedly then shot.

After re-establishing diplomatic relations with Chile in 1975, Gen. Banzer is also alleged to have allowed Chilean intelligence to set up a network of agents in Bolivia. Reuter

EEC textiles accord with China

BY RHYS DAVID

CHINA IS to be allowed much greater access for its textile products into the EEC market but is having to accept tight new rules aimed at ensuring quota levels are not breached. This is the main outcome of an agreement negotiated last month with the EEC Commission, the details of which are due to be *published shortly*.

The agreement, which the EEC Council of Ministers is expected to ratify in September, effectively doubles from 21,000 tonnes to 41,000 tonnes allowable Chinese exports in 14 product areas this year. In the case of certain items, however, the volume increase will be much greater.

First reactions to the agreement in the UK have been relief that some of the initial Chinese demands have been resisted. But the industry remains concerned that global ceilings on a number of sensitive products laid down by the EEC itself when it negotiated a series of bilateral textile deals with leading low cost suppliers under the GATT Multifibre Arrangement in 1977—are being breached. The ceilings were intended to set an absolute limit on imports of certain products from all sources.

The new agreement, which is outside the MFA framework, replaces existing arrangements between individual EEC member countries and China and will last for five years with provision for a further five-year renewal. It takes effect from the beginning of this year.

The new deal covers the eight most sensitive products which qualify for the tightest MFA controls — cotton yarn and fabric, shirts, sweaters, trousers and blouses among them—together with six other products in which China is potentially a very large supplier.

First reactions in the U.K. have been relief that some of the initial Chinese demands have been resisted. But the industry remains concerned that the EEC has been willing to breach global *ceilings on a number of sensitive products*.

In knitted shirts, for example, China will be given a 1979 quota of 4.03m with an annual growth rate of 4 per cent and a UK share of 465,000. In woven shirts China will be allowed to ship 6.05m this year and will be allowed to increase exports by 1.5 per cent a year. The UK, where 70 per cent of the woven shirt market is already held by imports, has had its share set at 745,000.

For some products quotas will apply to particular countries only. The UK for example will have a quota for men's coats, jackets, and woven underwear and for knitted gloves.

The new tighter rules built into the agreement will enable products not under quota control—a further 100 categories of textiles and clothing—to be limited as soon as licence applications begin to show a sharply rising trend.

Under the MFA agreements with other suppliers imports have to reach a certain trigger level before consultations start on possible restraint. Imports as a result are sometimes able to continue rising for several months before action is taken. The eventual quota has invariably then been set at a level much higher than the trigger point.

The new procedure now to be adopted for China will almost certainly be suggested by the industry in Europe for inclusion in any new MFA agreements negotiated when the present round expires in 1981.

A tougher price clause giving the Community the right to stop imports if they are being sold below average prices for similar goods by other exporters has been included. Handloom and folklore items are also being brought under control.

The Commision has also secured Chinese guarantees on the continuing supply of three import raw materials—cashmere, angora and raw silk. But in the case of the first two the level is only around one-third to one-quarter of normal requirements in the UK, the main processor of these fibres.

No guarantees have been given on price and delivery, however, and the industry is likely to remain concerned that its supplies could be cut off if China decides to step up its own output of high quality knitted garments. As an additional safeguard the EEC has negotiated a separate inner limit on wool and fine animal *hair pullovers within its over*-all jerseys quota.

In reaching the agreement the EEC has evidently been influenced by the textile industry into taking a fairly tough line with China which is anxious to expand its textile exports in order to pay for capital goods from the West. The Chinese at one stage were refusing to consider growth rates for products covered by quota of less than 6 per cent but the range now agreed varies from 0.5 per cent for cotton yarn to 7 per cent for household linens.

The UK industry is concerned, however, that as in the agreements reached last year with its Mediterranean associates the EEC has been willing to breach the global ceilings.

At the time of the MFA renewal the EEC promised to maintain these overall limits which contained within them limited provision for new suppliers. In the deals it has done since the EEC has more than used up this leeway. The industry claims that if the ceilings are adjusted in this way, companies will again be reluctant to invest, not knowing the extent to which imports will be allowed to grow.

Comecon import curbs hit W. German trade

BY LESLIE COLITT IN BERLIN

WEST GERMANY'S exports to China expanded faster than to any of the European Communist countries in the first half of this year and have lifted China into second place after the Soviet Union as an importer of West German products among Communist countries.

West German deliveries to China rose 34.8 per cent to the end of June and amounted to DM 1.3bn (£317m). Imports from China rose 16 per cent to DM 420m so that overall China ranks fourth among West Germany's Communist trading partners.

The six leading Communist traders with West Germany were (in order of value) the Soviet Union, Poland, Hungary, China, Romania and Czechoslovakia, East Germany actually ranks second after the Soviet Union, but this is tabulated by Bonn as interzonal trade under the Berlin *agreement which provides for* a duty-free exchange of goods between East and West Germany.

Reflecting the determination of Comecon countries to reduce their indebtedness to the West, West German exports to the Soviet Union in the first six months fell 5.8 per cent to DM 3.2bn. By contrast German imports from the Soviet Union rose 18.8 per cent to DM 2.9bn.

West German exports to all Communist countries, excepting East Germany, rose by a modest 4.1 per cent in the first half-year to DM 9.1bn while imports were up 16.7 per cent to DM 6.8bn. Imports increased by 15 per cent from all state trading countries which resulted in a fall in the West German surplus with *them of DM 609m to DM 2.3bn* in the first six months of this year compared with the same period in 1978.

Poland cut its purchases from West Germany even more sharply than the Soviet Union, by 10.5 per cent to DM 1.1bn, while its exports rose 4.4 per cent to DM 1.0bn.

Nearly all the other East European countries managed to expand their exports to West Germany. Hungary boosted its exports 33.9 per cent to DM 758m, Czechoslovakia by 10.5 per cent to DM 697m and Bulgaria by 45.5 per cent to DM 192m.

Romania raised exports by one per cent to DM 622m while imports from West Germany rose 33.4 per cent to DM 1.1bn.

West Germany's trade with East Germany so far this year is understood to have expanded by no more than one per cent which in real terms would represent a decline.

West Germany's total worldwide exports have expanded 9.6 per cent so far this year or at a considerably faster pace than the 4.1 per cent expansion recorded with the Communist countries. German imports, however, from the State trading countries rose 16.7 per cent compared with 15 per cent from all other countries.

Bid to lift Manila flights ban

BY DANIEL NELSON IN MANILA

FLYING TIGER is petitioning the Philippine Civil Aeronautics Board (CAB) for a reversal of a decision banning the private U.S. cargo airline from operating Boeing 747 flights in and out of Manila.

The airline's application was denied after a hearing on July 26, but Sr. Vicente Faustino, the local manager, has asked for reconsideration.

Flying Tiger has operated three DC-8 flights between the Philippines and the U.S. since 1974 but has been *seeking* permission to switch to a Jumbo Boeing 747—virtually doubling the load capacity to 100 tons per flight with only marginally greater fuel costs.

On June 4 it stopped the DC-8 service, at some inconvenience to exporters in a range of products ranging from garments through electronic equipment to tropical fish.

Sr. Faustino said that after the June 4 decision, the CAB suspended landing rights, and sought reciprocal rights for Philippines Airlines to run a service to Guam.

"They are using us as leverage in their air treaty negotiations with the U.S.," Sr. Faustino said. "We have even assured them we would use the 747 only to the previous capacity of the DC-8."

The additional capacity would *be used by PAL's other stations* in Asia, and would, in effect, be the same service with the same capacity over the same routing, he said.

Another round of the long-*running* Philippine-U.S. air talks is expected to be held later this year, at which PAL's Guam service, as well as its proposed thrice-weekly cargo service to the U.S. will be on the agenda.

● Siemens, the West German electrical group, has won a contract to deliver over $250m worth of telephone communications equipment to The Philippine Long Distance Telephone Company. AP-DJ reports from Munich. The contract calls for Siemens to supply modern, electronic communications technology for both local and long distance calling.

AP-DJ adds from Hong Kong: Cathay Pacific Airways has confirmed its option to purchase a fourth Boeing 747-200B jet with Rolls-Royce engines for delivery in December 1980. CPA has options on two additional B747s for delivery in September 1981 and March 1982. A spokesman said the six aircraft are worth some HK$1.8bn ($280m).

● Transbrasil Linhas Aereas is ordering two Boeing 727-200 passenger aircraft and is leasing two more with an option to purchase, Reuter reports from Rio de Janeiro.

The two aircraft plus spare parts will cost $33.6m (£15m), with 42.5 per cent being financed by the U.S. Eximbank, 42.5 per cent by private banks in Europe and the U.S. and 15 per cent by a rise in the company's capital from the present Cruzeiros 450m (£7.5m), the company said. The two aircraft will be delivered by the end of next year.

Philippines copper plant bids close

Four companies dropped out of the bidding for the $250m (£112.1m) copper smelter contract in the Philippines, leaving the field to Davy, SNC of Canada and Marubeni, as the deadline for submissions closed yesterday, writes Daniel Nelson in Manila.

A spokesman for the Philippine Associated Smelting and Refining Corporation said that it would take two months to consider the bids. The four firms which had previously expressed interest were Sybetra (Belgium), Seltrust Engineering (UK), Parsons (U.S.), and Lurgi (West Germany).

Egyptians to visit Israeli furniture fair

A delegation of 16 Egyptian businessmen and buyers, headed by Mr. Nabil Awad, of Cairo, will attend the Israel Furniture '80 Exhibition in Tel Aviv from September 3-13, writes L. Daniel in Tel Aviv. This was announced by the Association of Israeli Furniture Manufacturers, which said Egyptian participation was agreed during Mr. Awad's recent visit to Israel.

Brazil orders for Japan

KOBE STEEL, a Japanese company, said it has won a Y200m (£0.4m) order for an automatic computer control system from Companihia Siderureica, a Brazil State steel mill, writes AP-DJ from Tokyo. Japanese concerns have jointly won orders totalling Y45.3bn (£93.49m) for plants and related equipment from Usinas Siderurgicas Deminas Gerais S.A., a Brazilian steel manufacturer.

Yugoslav shirts pact

CLUETT, PEABODY, dress and shirtmaker has agreed to licence Rudnick Modna Konfekcija, a Yugoslav manufacturing complex, to make and sell its shirts in Yugoslavia, writes AP-DJ in New York. Financial details were not disclosed. Further expansion is expected in other East European countries.

$28m for tractor cabs

International Harvester Company plans to spend $28.3m (£12.69m) to make its own farm-tractor cabs in Europe, writes AP-DJ in Chicago. Harvester said $20m will be spent on cab-making facilities at its plant in Croix, France. An additional $8.3m will be spent on assembly adaptations at factories in France, England and West Germany.

Michelin to expand Spain plant

Safe Neumaticos Michelin, a unit of Michelin et Cie, has told the Spanish Government that it plans a $38m (£17m) expansion of its tyre factory near the northern city of Burgos, writes Reuter in Madrid. The company, which employs more than 11,000 people in Spain, will create an extra 360 jobs.

£165m for Iraq projects

A Japanese consortium of two companies led by Mitsubishi Corporation has won an Y80bn (£165m) order from the Iraqi Ministry of Housing and Construction for regional development projects in Baghdad, Reuter reports in Tokyo.

Hamilton Brothers

Denver-based Hamilton Brothers Petroleum had net income for the second quarter of $5.34m compared with $4.58m, on sales more than doubled at $58.1m against $23.9m, Reuter reports from New York. Following a change in share capital, per share earn*ings registered a decline from* 73 cents to 68 cents. The company recently sold most of its Canadian oil and gas properties for C$522.5m, to be paid over the next 14 years.

Greek deficit increases

BY OUR ATHENS CORRESPONDENT

THE RECENT oil price *increases have pushed Greece's* trade deficit in the first half of this year to $2.9bn (£1.3bn).

According to figures published by the Bank of Greece, oil imports in January-June cost $908m, bringing the country's import bill to $4.8bn.

This was a 36.5 per cent increase over the corresponding six months of 1978 when imports had totalled $3.5bn with oil accounting for $553m.

Exports in the first half of 1979 increased by 38 per cent to $1.9bn and the trade deficit was largely covered by invisible earnings which totalled $2.1bn, mainly from tourism at $544m, shipping at $705m and emigrants' remittances at $492m.

Invisible payments totalled $607m, leaving a current account deficit in the first six months of this year of $1.4bn, an increase of 55.3 per cent over *last year's corresponding figure* and in excess of the 1978 total of $1.3bn.

With oil imports expected to cost $1.8bn this year, the current account deficit for 1979 should be near $2bn.

● Swiss imports jumped by 27.8 per cent last month in comparison with their value in July last year to SwFr 4.21bn (£1.16bn).

At the same time, exports rose by 8.8 per cent to SwFr 3.63bn, or by a real-terms 10.4 per cent in the light of lower export prices.

For the first seven months of 1979, imports were up 8.7 per cent, and exports by only 3.2 per cent in absolute values, leading to a marked widening of the country's trade gap from SwFr 787.7m to SwFr 2.17bn for the January-July period.

Finns win U.S. paper machine deal

BY LANCE KEYWORTH IN HELSINKI

VALMET OY, the state-owned engineering company, has contracted to deliver a fine-paper machine to Mead Corporation of the U.S. The order is worth about FM 70m (£8.2m). Delivery *is scheduled for late 1980* and start-up for 1981.

The wire width of the paper machine will be 8,400 mm and the rated speed 1,065 m/min. It will produce writing and printing papers and carbonless coating base in the basis weight range from 50 to 90 g/sq m.

This is Valmet's second paper machine order from the U.S. with 12 months. Earlier this year the *Finnish* paper machinery industry had 11 foreign and domestic paper machine orders on its books, plus several major renovation projects.

Morley and Marsh bid for Norwich

BY JAMES BARTHOLOMEW

MR. ERIC MORLEY and Mr. Laurie Marsh, both of whom have been forced to resign from prominent public companies in the past nine months, have joned ot bid for Norwich Enterprises, the holding company for the Victoria Sporting Club casino and other leisure activities.

Contracts might be exchange on Friday or Monday, Mr. Morley said yesterday. The new team would move in straight away and not wait for completion of the contract.

He gave a warning, however, that the deal was not yet completed and might fall through.

The Victoria Sporting Club was raided by more than 100 police at 3.10 am on December 8. Seven staff were arrested and five, including Mr. Anthony Jackson, the managing director, were charged with theft and offences against the Gaming Act, 1968.

The police have applied for cancellation of the club's gaming licence, but the application has yet to go before the magistrates.

Since the application, the club has appeared to be up for sale. Several People and companies have been rumoured to be interested, including Sir James Goldsmith, chairman of Générale Occidentale.

A change of ownership might improve the club's chances of retaining its valuable licence. Mr. Morley has credentials as a former chairman of the British Gaming Association and of the Mecca Group, which owns four London casions.

Mr. Morley says that the gaming licence is being valued at nothing. That move may please the Gaming Board, which dislikes value being given for licences under threat.

Mr. Morley resigned from the Board of Grand Metropolitan at the end of last year after differences over "management style." He received a £200,000 golden handshake.

Mr. Marsh resigned from Associated Communications Corporation a month ago for similar reasons and received £125,000.

They will each have half the equity if the deal goes through. Mr. Marsh and his backers will provide the bulk of the loan finance and have control until the loans are repaid.

Both men said yesterday that they expected to be able to work well together. Their previous companies had not understood entrepreneurs, they said.

Mr. Marsh will be responsible for the finance and the property sid of the business while Mr. Morley will run the leisure activities. Those include betting shops, bingo and travel companies as well as the casino.

The aim is to create a big leisure and property group, which may one day become a public company. Mr. Morley has been working on the idea for more than four months. Mr. Marsh has joined in only in the month since his resignation from Associated Communication.

Drastic new race laws called for by Powell

By Elinor Goodman

MR. ENOCH POWELL, the Ulster Unionist MP for Down South but still the backbencher most closely associated with the whole question of immigration, brought the debate into the forefront again yesterday with a call for a new code governing the rights of British citizenship. He appeared to be suggesting that the vast majority of Britain's coloured community should be stripped of their British citizenship.

Mr. Powell, speaking at Burgh Heath, Surrey, couched his demand in terms which he would regard as precise, but which left his audience to make their own conclusions about where his policies would lead.

Again accompanying his proposals with forecasts of hte way in which Britain's coloured population was bound to grow, he did not detail what would happen to them once they had lost British citizenship. In the past he has advocated voluntary repatriation.

The implication of what he said yesterday was that they would no longer have the right to continue living in Britain and that some would have to leave.

Mr. Powell's speech, which the anti-apartheid movement had tried to stop, was deliberately timed to coincide with the Government's review of immigration controls. The Conservatives are committed to introducing a new British nationality Act.

Dual rights

What Mr. Powell seemed to be trying to do was to draw attention to the way in which he believes the Conservatives proposals would be totally emasculated by their own promise not to "adversely affect the rights of anyone now permanently here."

He claimed that there was palpable evidence of a future England with London and major cities having a population of up to one third of "new Commonwealth ethnic" origin. He said that the crux of the problem was the question of dual citizenship, which allows immigrants to retain the citizenship of their country of birth alongside British citizenship.

Britain, he said, ought to say to anyone who was a citizen of another country that he could not be recognised as a British citizen unless, so far as it lay within his own control, he renounced that other citizenship and the UK found "good and sufficient reason" in his individual case to admit him to its own citizenship.

The overwhelming majority of the new Commonwealth and Pakistan ethnic population of this country were citizens of their or their parents' countries of birth.

Banks consider changes to money supply control

FINANCIAL TIMES REPORTER

THE CLEARING banks are considering ways of improving the system for controlling the money supply.

This is part of the consultations which the Bank of England is having with a wide range of City interests after an article outlining the monetary base system as an alternative to the "corset" in the June issue of the Bank's quarterly bulletin.

As an initial step the clearers' economists have drafted a paper examining both methods. It argues that the "corset," which controls the growth of the banks' interest bearing eligible liabilities (IBELS), is unfair and, for the most part, inefficient as a mechanism for controlling the money supply. The paper also points out that IBELS control gives banks many ways of avoiding restraint in lending.

The bank economists do not favour a changeover to the monetary base system. Instead they list a number of changes which could be made to the control mechanism to bring it closer to monetary base control.

The Bank of England paper warned that one effect of monetary base controls might be the sharp curtailment or disappearance of the overdraft system.

BL plans to halve Princess output

BY LISA WOOD

BL's PRODUCTION of its Princess model — relaunched last October — is to be halved, with resources switched to smaller models for which there is growing demand.

The company announced yesterday that the night shift on the Princess production line at Cowley would end next month.

The 500 workers will be transferred to Marina and Maxi production, and a few may be asked to take early redundancy.

BL launched the Princess Mark 2 last October and produced about 1,000 a week at Cowley. In the first six months of this year it sold 19,000 and it has said that demand for the car matches that of last year.

The company said: "Princess sales are not falling away, but we need to capitalise on increased demand for other cars in our range in view of the recent emphasis on fuel economy. We anticipate that future demand for the smaller models will continue. Therefore we are reviewing our manufacturing operations in line with the needs of the market."

It has had record sales in the last few months of its Mini

The company announced earlier this month that there was to be a wide review of the structure and operations of Jaguar, Rover Triumph, BL's specialist car subsidiary, in the light of the sharp rise in the value of the £ and changing attitudes towards fuel

Economic recovery is likely to continue for a few months

BY DAVID FREUD

ECONOMIC RECOVERY is likely ot continue for the next few months, according to figures released yesterday by the Central Statistical Office.

But officials said the figures, designed to predict cyclical turning points in the economy, were more unreliable than usual due to the winter disruption and its after-effects, as well as the Budget spending boom.

The longer-leading indicators, which look forward about a year, were less affected by the distortions.

The index of these indicators fell again in July due to a continued increase in short-term interest rates and a further fall in the FT-Actuaries 500 share index.

This index has been falling since the end of 1977, except for a slight hiccup this spring. It suggests that a sustained recovery is unlikely to take place before next autumn at the very earliest.

The industrial disruption of the winter, together with the catch-up period and the beat-the-Budget shopping boom, have had most effect on the figures that make up the index of shorter leading indicators, which looks forward about five months.

For this reason officials argue that this index is reflecting non-cyclical trends and cannot be relied on for predictions.

The index rose for the fourth consecutive month in June, due to further increases in consumer credit extended and new car registrations.

The conventional interpretation of the gain in this index would be a buoyant economy between July and at least November.

While officials are sceptical of the reliability of this prediction, there have been other signs recently that the expected recession may be delayed until the end of the year.

The CBI's latest trends survey found that below capacity working was at its lowest level for five years, while industry's demand for bank loans still appears to be at a high level.

Manx Radio angry over frequency

By John Lloyd

THE CHAIRMAN of the Isle of Man's Broadcasting Commission has accused the Home Office of breaking an agreement, with the result that the island's radio station cannot be adequately received by its 60,000 potential listeners.

Manx Radio, Britain's smallest local radio, was allocated a new frequency, 219 metres medium wave, (1368 kHz) by the Home Office last year.

Dr. Edgar Mann, the Manx Broadcasting Commission's chairman, said yesterday that the Home Office said the frequency would be for the station's exclusive use.

However, it has now been decided that three new BBC local radio stations—in Lincoln, Swindon and Crawley—would share the frequency when they come on the air in the early 1980s.

Observer

Dr. Mann said: "This will cause us very serious problems. It will interfere with our programmes and our power output."

The Isle of Man Government is to consider sending an observer to the World Administrative Radio Conference in Geneva next month. The conference will attempt to allocate frequencies for radio use throughout the world ove the next twenty years.

The Home Office said last night that it was not aware of any agreement made about the frequency with the Manx Broadcasting Commission.

The frequencies for the new BBC local radio stations were "still in the melting pot."

Meriden creditors show sympathy

BY ELAINE WILLIAMS

CREDITORS OF the Meriden Motorcycle Co-operative have asked the Government to continue to give its support to the company while it seeks a financial partner.

Last month two Government agrede to wait an unspecified time before asking for payment of £1.2m interest overdue on a loan.

Mr. Geoffrey Robinson, MP for Coventry NW and unpaid chief of the co-operative, confirmed yesterday that creditors had given their "full support" for the search for a partner.

Mr. Robinson, who has been visiting European companies in search of a buyer, such as Moto Guzzi or Morelli of Italy, said that there were "six distinct possibilities" among the organisations he had spoken to.

Mr. Robinson expected that the co-operative will have until the end of September to find the interest overdue on the Government loan.

Mr. Robinson said that the organisation now had a "fighting chance for survival" and insisted that the talks were a reassuring first step towards a partnership. He refused to be tied down to even a country where a possible backer would emerge and mentioned the Far East and even other parts of the UK where approaches had been received.

The remaining 620 members of the co-operative are holding a mass meeting today to decide whether to retain four-day working or to sack another 90 to bring the number in line with a redutcion in output to 200 machines a week.

Revenue 'did not ransack bank offices,' court told

THE INLAND Revenue yesterday denied allegations that it had "ransacked" the premises of Rossminster, the London bankers, during investigations into tax allegations.

Mr. Brian Davenport for the Inland Revenue, told three Appeal Court judges that the search of the company's offices in Hanover Square, Mayfair, on Friday, July 13, was not a case of "removal men" rushing in, seizing everything and rushing out.

The search by tax officers lasted 12 hours. "Before going to the premises, the officers were given instructions as to what they should look for," Mr. Davenport said.

Rossminster, which is challenging the scope of the Inland Revenue's "search and seize" powers, had complained that some of the items seized could not possibly be used as evidence in tax proceedings.

Mr. Davenport said some items, such as a parking offence warning, had now been returned. Others were kept.

In fraud inquiries, the contents of senior executives' desk drawers, with jottings or the contents of a wastepaper basket, might be evidence of considerable importance.

Lord Denning, Master of the Rolls, Lord Justice Browne, and Lord Justice Goff are expected to give judgment on the appeal today.

● NEWS ANALYSIS—DALGETY'S PLANS

Spillers a key to growth

BY CHRISTINE MOIR

DALGETY'S bid for Spillers—which was rejected last night—is aimed at creating the largest British-owned food and agricultural company. And it does not intend to stop at Spillers.

Mr. David Donne, Dalgety's chairman, said yesterday that the bid would give the group "a strong equity base on which to get larger." But the company would expand only where it was right.

Obviously the past 2½ years of accelerating expansion has not been enough to appease Delgety's appetite for growth. It aims to create a three-pronged business with equal interests in Australia and New Zealand (historically Dalgety's main sphere of influence), North America and the UK.

So far the expansion programme, has involved two rights issues of nearly £30m, and the raising of a £60m loan facility in the U.S. Now the equity base, already swollen by four-fifths by the past two issues, is intended to increase again by more than 50 per cent.

The bulk of recent acquisitions have been in the U.S., where Dalgety has been building up a major frozen food business. It claims to have 14 per cent of the frozen vegetable market in the Pacific north-west sector, since its purchase of Martin-Brower, the U.S. frozen food distributor, for £20m, and Cedargreen Food Corporation, which processes vegetables.

Spiller's U.S. interests are not large, but early last year it bought Modern Maid, a manufacturer of flour-based food ingredients in the U.S. To date, the acquisition has proved troublesome. First-quarter figures showed losses of $2m.

Dalgety's attitude to Modern Maid highlights its philosophy concerning the merger with Spillers. It is undaunted by the losses, and believes that these can be sorted out by its own strong U.S. management team.

It is enthusiastic about how Modern Maid will fit in with Dalgety's existing U.S. distribution and marketing set-ups, and how it will complement and expand the range of products that Dalgety delivers to "supermarket backdoors."

Flour fortunes

It is clear that Dalgety wants to take over Spillers because it sees opportunities for adding value by marketing and distribution rationalisation in the food products which the two have in common—meat, eggs, poultry and groceries. It is also interested in the increased market share it will gain by merging the animal feeds businesses.

Spiller's flour milling side, although it probably accounts for well over half of Spiller's profits, does not seem to figure powerfully in Dalgety's plans. It simply intends to keep the flour business going as a separate division.

However, the fortunes of the flour side are important to the financial rationale of the bid. Dalgety states that the offer—one of its own shares for six of Spillers—has been worked out to avoid any earnings dilution.

Spillers' flour business—now relieved of the hideous burden of the baking side which was split up among the other market leaders last year in a last-minute rescue—is crucial to the maintenance of those earnings. It is a problem area this year.

Spillers says that up to the turn of the year margins on flour had been satisfactory, but since then wheat costs and wages have risen. This is likely to depress profits this year, particularly in the first half.

It is difficult to reconcile the critical importance of the flour business with Dalgety's claim that the bid will be widely welcomed because of its overwhelming commercial, rather than financial, sense.

For all its expansion into areas of food manufacturing and processing, Dalgety's skills remain in the areas of agricultural and food merchanting. And these will not be of much help in a recovery struggle in flour.

Nor would Dalgety be readily able to sell off the flour business since the obvious buyers are under tight rein by the Monopolies Commission.

In any case, Spillers obviously intends to resist the bid and get on with its own £20m expansion and improvement programme.

This will almost certainly include a big drive to set up more of the successful Mario and Franco restaurants — another area foreign to Dalgety — and further promotion and expansion of grocery products such as the Cook In sauces.

Meanwhile, it hopes for the critical increase in the price of flour by September.

State aid plea for £277m Tyne Metro

A DELEGATION from Tyne and Wear County Council saw Mr. Norman Fowler, Transport Minister, yesterday in an attempt to win help in meeting the increasing costs of the £277m Tyne Metro system, now 3½ years behind schedule.

Mr. Fowler agreed to discuss the matter with other Government departments before coming to a decision. But he told the delegates of the Government's difficulties over any increase in public spending.

Tunnel opens way for fastest Scots express

By Lynton McLain

BRITISH RAIL has completed the £2m by-pass of the Penmanshiel Tunnel on the east coast main line ahead of schedule. The fastest Flying Scotsman train to attempt the London to Edinburgh run will use the new route for the first time on Monday.

The Flying Scotsman will leave King's Cross at 10 am following the pattern set in 1862 when the "Scotch Express" set off on its first, 10½ hour journey.

The latest train is to take four hours and 37 minutes, and if it arrives on time it will be greeted with relief by British Rail. Services on the east coast line to Edinburgh have been disrupted since March, when the Penmanshiel Tunnel between Berwick and Dunbar collapsed, trapping and killing two workmen.

Royal Doulton's world beater

THE 50-MILLIONTH piece of the world's best-selling bone china pattern, "Old Country Roses," will be produced in Stoke-on-Trent today.

The pattern has been marketed by Royal Doulton Tableware under the Royal Albert name for 17 years.

To mark the occasion Mr. Richard Bailey, the managing director will take a specially-made soup tureen from the kiln at the St. Mary's factory, Uttoxeter Road, Longton. It will later be presented to the Hudsons Bay Company of Canada, one of the largest customers of the pattern.

OTHER MEN'S JOBS: ERIC SHORT TASTES THE NOSTALGIA OF A FERRY

Tourists queue for slow boat to the Broads

Freddie Mansfield

David Archer, proprietor of the ferry—and of the Ferry Inn.

A PROBLEM that intrigued me as a boy concerned the ferryman who had to cross a river three items—a goat, a dog and a basket of vegetables. His boat could take only one of these three on any journey, and he could not leave the goat and dog together, nor the goat and the vegetables. How does he get them across the river?

Well, this type of problem faces David Archer, owner of the ferry across the River Yare at Reedham in Norfolk, at various times during his working day, seven days a week for most of the year. For his is the last of the famous Norfolk ferries that at one time operated at intervals along the river network of the Broads.

The present Reedham ferry, built in 1824, is typical of these ferries that were once a familiar sight on the Norfolk landscape. It is flat bottomed, rectangular in shape, measuring 30 feet by 18 feet. Its operation is simple.

It crosses the river by the power of winding a chain. This is a relic of the old days, when the ferryman crossed the river simply by pulling on a rope tied between the banks. A wooden ramp at each end of the ferry enables vehicles and passengers to get on and off.

This was perfectly adequate to cross the 180-foot wide Yare when the users were local farmers and gentry. But carrying modern cars on this type of ferry causes David Archer and his assistants problems of packing in the vehicles. The ferry can take two ordinary cars if they are set bumper to bumper, or three minis at a squeeze. But if the car is towing a trailer, or is extra long, then only one vehicles can be carried.

If only the occasional car took this route there would be no problem. But the ferry is now a tourist attraction and considerable use is made of it by holiday-makers going to and from the Broads.

Often there are cars waiting on both banks. The problem is now strictly to keep to the queue order: for instance, a car with a trailer can be accompanied by a Mini.

But this is not the only problem that can delay a crossing. There is steady river traffic with coasters sailing up and down the Yare to and from Norwich. The river itself is cluttered with holidaymakers sailing on the Broads with varying degress of skill. The ferry has to give way to these boats. It is not uncommon for an amateur sailor to foul the chain because he has gone on the wrong side of the ferry.

The records held by David Archer show that there was a ferry running in the late 17th century, when this was the only practical means of crossing many rivers in Norfolk.

With the advance of technology and the advent of the motor car, the practical need for ferries at frequent intervals diminished and one by one they have disappeared from the scene. When David Archer's father took over in 1949 the Reedham ferry had almost fallen into disuse.

But not quite. The Archer family, who came to Reedham from London to get out of the rat race, saw the tourist potential of the ferry. The Yare meanders for 38 miles betweeen Yarmouth and Norwich, with no road bridge between those two places. Some holidaymakers heading for the Broads would wish to avoid Yarmouth and Norwich and aim to cross via the ferry. And this has turned out to be the case.

Now, during the height of summer, the ferry carries more than 200 vehicles a day. Since a return crossing averages 10 minutes, there are considerable queues on both banks. When I visited the ferry there were more than 20 cars waiting on the north bank at midday. Since it would have been quicker to make a diversion, whether en route to Yarmouth or Norwich, the drivers, presumably, were happy to wait.

For David Archer, queues are doubly profitable. For he is also the landlord of the Ferry Inn, a free house which stands on the north bank. The ferry rights belong to the inn, which does a big trade from motorists and their families waiting to cross.

When the Archer family took over the inn it was little more than its 17th-century original. Now it has been extended and moorings are provided free.

The growth in tourist traffic has enabled David Archer to keep down the charges for crossing.

Records show that in the middle of the last century a four-wheeled vehicle was charged 2s 6d to cross—12½p in our modern money. The charge for a car is now 50p. Then it cost 1½d to ferry a horse, 1d for a cow and ½p for a sheep. Now David Archer will not take animals.

He is to replace the ferry by a new one which will be slightly larger and will carry four cars. But it will still be a chain ferry. Any other method would be no improvement on a system that has been tested through centuries.

Doctors warn on NHS 'debacle'

DOCTORS warned yesterday that the Budget VAT increase is likely to plunge the National Health Service into "a new debacle of industrial unrest."

In the wake of the Government's decision not to increase the Health Service cash limits to cover the higher VAT, an editorial in the British Medical Association's News Review magazine says that staff cuts, longer waiting and falling standards of patient care are "just some of the looming difficulties."

You've heard everyone else's opinion about energy.

Will you give five minutes to read what Shell thinks?

As the energy scene unfolds and the debate heats up, opinions come thick and fast. The pressure on commentators to prophesy is strong, and few can resist. Frankly, at Shell we're inclined to be cautious. This time last year, oil seemed to be plentiful and the oil companies believed there would be a surplus for some years.

As an Arab proverb has it; 'He who foretells the future tells lies even when he tells the truth.'

Yet we must have plans, and while acknowledging the vulnerability of all predictions, must try to piece together a pattern for the future. Broadly, this is what Shell makes of the available facts:

Shell believes.

1. Experience over the past year, especially of the Iranian situation, has finally convinced us that political factors bear so heavily on oil production that it may never reach its full technical and economic potential. For practical purposes, we should assume that it has already reached its peak.

2. The OECD countries must act immediately to reduce their dependence on world-traded oil. Governments have set a target of 5% savings. Even greater savings may be necessary if we are to be ready for future disruptions in supply.

3. The pressure on oil, and, indeed, on all other sources of energy can be relieved by rapid improvements in energy efficiency. A 5% improvement is easily within our grasp. With greater effort and some investment (in existing and already viable technology) it should be possible for Western Europe to reduce energy demands by up to 30% with no effect on living standards.

4. Hand in hand with energy efficiency measures, must go the search for more new oil and gas fields and development of coal and nuclear power to the point where they can take a greater share of the energy burden. In the UK now, coal provides 34% of energy, nuclear provides 4%.

5. Alternative sources of energy (solar, wind, tidal etc.) can make only a small contribution before the end of this century. Research must go ahead, but we must be aware that, even with a dramatic breakthrough, they hold little promise in the short term.

6. It follows, therefore, that energy efficiency measures will have the largest effect in the short term. Government can prime the pump, but the whole community must work towards improving energy efficiency. The commitment of individuals matters most. In homes, on the road, in offices, in factories, any saving you can make will help.


No, I'm serious - the Festival Hall's heated that way. It pumps heat out of the Thames - like a fridge in reverse
We'll look back and laugh when this fusion thing's cracked
It comes from Sweden more efficient than a coal-burning fire
OPEC's price rise is our price rise - it's not all bad
We've got coal for three hundred years
The idea is to have satellites that collect sunlight, turn it into lasers and beam it down
We've got to start designing for fuel efficiency
Seriously suggesting this six-masted barque with computers to control the sails
It's the bloody oil companies - look at the profits they're making
What's happening to North Sea Oil then?
Huge windmills in the North Sea apparently the technology's there
Edgell

Brewster praises Britain's stability

BY ELAINE WILLIAMS

BRITAIN STILL has much to offer the foreign investor, according to Mr. Kingman Brewster, U.S. Ambassador to Britain.

"Britain has the great asset of being more moderate and stable than any other industrialised nation," he says in the Institute of Directors' magazine Director, published today.

But he says he has begun to notice a disturbing trend towards social polarisation in matters such as class, race and ideology, which has been exacerbated by unemployment *and inflation.*

Mr. Brewster warns that without North Sea oil, Britain would be a "disaster." The country should plan carefully since, if it were not for the wealth-producing oil, he thought there could well be "tensions which would put a real strain on the civility of this society."

Despite his caution, Mr. Brewster feels that the long-term stability of the UK is the main reason why there is a continuous flow of American investment in Britain. Few companies are reducing their UK commitments to place funds elsewhere.

The most successful U.S. companies to set up in the UK are in relatively self-contained, high technology businesses which are small enough to relate effectively to the workforce, says Mr. Brewster.

He is impressed by the way British managers approach the problems of productivity and their awareness to make improvements in management as well as labour. But he admits that improvement in Britain's performance requires long-term policies.

Allaun charge toughens task for Callaghan

BY ELINOR GOODMAN, LOBBY STAFF

MR. FRANK ALLAUN, chairman of the Labour Party, yesterday accused Mr. James Callaghan, Labour leader, of trying to downgrade the importance of the party conference. Mr. Allaun *was responding to what Mr. Callaghan regarded as his conciliatory speech on Tuesday on the* future of the party.

Coming from Mr. Allaun, a hard-line Left-winger, the response was to some extent predictable, but it will nevertheless be an uncomfortable reminder to Mr. Callaghan of the very considerable difficulties facing his proposal for postponing a decision on some of the major constitutional issues now threatening to tear the party apart.

Some other Left-wingers on the party's National Executive Committee, however, were privately sympathetic yesterday to some of the moves recommended by Mr. Callaghan, if not the motives behind them.

On Tuesday Mr. Callaghan said that he could not possibly accept the NEC's demand to *have the sole right to draw up* the party's manifesto. Instead he supported the idea put forward by some of the biggest unions affiliated to the Labour Party for carrying out a full inquiry into every aspect of the party's organisation.

Mr. Callaghan sees this as a way of avoiding a highly publicised clash between the two wings of the party at the October conference and presumably hopes that any committee of inquiry would come down against the Left's proposals. Some Left-wingers, however, feel the committee could be useful in furthering their objectives *—a view shared by some Right-wingers who are sceptical of the* wisdom of Mr. Callaghan's tactics.

The Labour leader apparently hopes to persuade the NEC at its eve-of-conference meeting to drop the idea of a vote on the method of framing the party manifesto, and to support instead the idea of an inquiry.

Even if he suceeds in this it seems highly unlikely that Left-wingers on the NEC would be prepared to drop the proposed conference debates on the other constitutional issues facing the party, like the method of selecting the Labour leader.

As Mr. Allaun's response to Mr. Callaghan's speech emphasised, the Left regards conference as the supreme policy body of the party and believes *it should have a right to debate all major issues.* Indeed Mr. Allaun and some other members of the NEC believe that Labour lost the election precisely because it ignored decisions of conference.

Yesterday Mr. Allaun insisted that the issues would be discussed "seriously and without personalities" at the conference and the executive would carry out whatever decisions were taken.

ITT signs Yellow Pages deal

By Elaine Williams

ITT World Directories, has acquired the part of the Post Office's Yellow Pages advertising contract rejected by Thomson Yellow Pages.

The Post Office announced yesterday that it has placed a contract between two U.S. companies, ITT and General Telephone Directories, part of General Telephone and Electronics.

ITT World Directories will operate in the north and west of Britain following a line across the country from King's Lynn to Lyme Regis and GTD will handle all advertising south of the line including London.

This means that ITT will have about 66 per cent of the total business worth an estimated £560m over the nine year life of the contract which takes effect at the end of next year. GTD's six year contract is expected to be worth £345m.

ITT already has telephone directory advertising contracts in Belgium, Holland, Portugal, Irish Republic, Sweden and Puerto Rico but the British deal is its biggest single contract.

Power board in £5m venture to bury cross-Channel cable

BY DAVID FISHLOCK, SCIENCE EDITOR

THE CENTRAL Electricity Generating Board is making its first venture into sea-bed engineering, at a cost of £5m, with trials of two machines just begun in the English Channel.

The machines have been developed to cut channels about 5 ft deep through the rock in the bed of the Channel to lay an electricity cable to France. They are part of a £360m scheme to link the two electricity systems with a new 2,000 MW cable.

When initial tests off Sandown, Isle of Wight are completed this month, the machines will move to four different locations between Folkestone *and Sangatte, on the French* coast.

One machine is a 118-ton tractor, designed to cut the trench—mostly in chalk but also in some harder rocks—using a rotating shearer of the kind used in coal-cutting.

The second machine is an 80-ton sled, which will haul itself along the top of the trench on a steel hawser laid by the tractor, feeding a pair of power cables into the bottom of the trench.

Both machines are powered through cables from a support ship and operated remotely but with divers in attendance.

They have been developed and built by Land Engineering and Balfour Beatty in collaboration with the board's transmission division at Guildford.

Dr. Peter Howard, director-general of the transmission division, paid tribute yesterday to the speed with which the companies had completed an order placed only in January.

The board's schedule calls for completion of the trials before weather in the Channel deteriorates in October. But first the sea-bed will be raked to ensure that the machines will not stumble on unexploded mines.

The trials, costing the board £25,000 a day, are crucial to the success of the project, which the board and Electricité de France have agreed will not go ahead unless the cable can be buried for protection. The existing 160 MW cable between *the two countries, which lies on* the sea-bed, is frequently damaged by trawls and anchors.

A public inquiry is to open in November into the proposed site for the associated converter station, which the board wants to construct at Sellindge, about 12 miles inland of Folkestone.

Harvard project for London architects

THE NEW Fogg Museum of Fine Arts at Harvard University is to be designed by the London architects James Stirling, Michael Wilford and Associates.

The firm was chosen by a selection committee which examined the work over 70 architects from all over the world for a year.

The museum will cost about $6m and is the gift of an ananymous benefactor. It will house the Fogg collection of Oriental, Ancient and Islamic art and a centre for conservation and technical studies.

The firm has designed buildings at Oxford and Cambridge and is building the State Gallery in Stuttgart at the moment.

Fastnet race claims 'may exceed £1m'

FINANCIAL TIMES REPORTER

INSURANCE CLAIMS for yachts sunk or damaged by the storms during the Fastnet race may well exceed £1m said Mr. Peter Coucher, a leading yacht underwriter at Lloyds.

He said the value of the *yachts ranged from £40,000 to* £700,000. But he emphasised it would be some time before an accurate assessment of claim costs could be made.

Navigator and General Insurance, a member of the Eagle Star Group, said although the storms had occurred when yachting was at its peak, he did not expect many claims from yacht owners uninvolved in the race. Most yachtsmen would have taken adequate precautions after the gale warning.

The gales appear to have *done surprisingly little damage* to property say household insurance companies Sun Alliance and Royal. Each report that their branches in the affected areas have receved few claims so far.

Although fallen trees across roads hampered movement of harvested grain from the field to the store, the gales caused little damage to growing crops.

High winds, and rain, can wreak havoc in corn fields. But fortunately the rain held off in most areas when the winds were at their worst and the grain stood up well to the battering.

Many fruit trees were damaged, but farmers were relatively unconcerned. While some apples, pears and plums were lost in the high winds, the remaining crop will be ample to meet all requirements.

Yesterday, the NFU Mutual, which handles a large propor*tion of farmers' insurance* reported that the only claims received so far related to damage caused by fallen trees and collapsed fences.

RUC arrests 16 in Belfast raids

BY OUR BELFAST CORRESPONDENT

THE Royal Ulster Constabulary arrested 16 people in swoops on parts of Belfast yesterday as part of its investigation into Sunday's Republican parade.

The police said that the appearance of armed and masked Provisional IRA members at the demonstration had caused "public disquiet." Sunday's incident brought angry reaction from Unionist politicians who accused the security forces of taking a soft line.

Further inquiries were being made into aspects of the parade through West Belfast, said the police.

Mr. James Molyneaux, acting leader of the official Unionist Party, had talks on security in London with Mr. Michael Allison, Minister of State, standing in for Mr. Humphrey Atkins, the Ulster Secretary.

Mr. Molyneaux urged the Government to introduce selective detention without trial for "the directors of terrorism." He *also suggested economic sanc*tions against the Irish Republic to force extradition of known terrorists.

Meanwhile, 300 members of the civilian search unit who check pedestrians and vehicles entering Belfast's security zone, threatened to strike if the army went ahead with a plan to scrap permanent guards on all but one of the 15 entrances.

The army said it wanted to introduce more mobile patrols which it believed would be more effective. The civilians said the proposal would leave them unprotected and without the powers of arrest.

In Crossmaglen, in south Armagh, soldiers found a primed bomb near an occupied house. It was thought it could have been intended for an attack on a patrol on Tuesday, the tenth anniversary of the arrival of troops in the province.

Call for health inquiry into brickworks plan

THE GOVERNMENT has been asked to set up an inquiry into the possibility of health risks from London Brick's two proposed brickworks in Bedfordshire.

The call for an inquiry into the £60m plan has come from an independent action group of local landowners, county council representatives and MPs.

The group, headed by the Marquis of Tavistock, said the development should not go ahead without first investigating possible effects on health of emmissions from the new brickworks' chimneys.

The company announced its plans earlier this month. it said the 400 ft chimneys planned for the brickworks would reduce ground level concentrations of sulphur dioxide and fluoride by a maximum of eight times.

NALGO action threatens water supplies

WATER SUPPLIES to more than 500,000 homes in Oxfordshire and Buckinghamshire may be cut off later this week due to *a walk-out by members of the* National and Local Government Officers' Association.

Nearly 400 NALGO members who work for the Wales division of the Thames Water Authority have simultaneously applied for two days holidays starting tomorrow in protest over a pay deal.

The walk-out will probably prevent water supplies being pumped from reservoirs in Oxfordshire and Buckinghamshire, and householders have been warned to stock up.

The dispute is over an offer of 11 per cent on basic pay plus a productivity deal worth 5 per cent.

LOWER-POWER JET VENTURE WITH A BIG POTENTIAL

Why Rolls-Royce teamed up with Japan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE JAPANESE Government's decision in principle to join Rolls-Royce in developing the new RB-432 jet engine, at a total cost of more than £300m, is a significant breakthrough in the engine company's efforts to launch the venture on to the world market.

The RB-432 is part of Rolls-*Royce's long-term plans to ex*pand its civil engine programmes to ensure that it captures at least part of the big market that lies ahead for less powerful jets than its RB-211 family.

The RB-211, in various versions, covers the thrust range *from 30,000 lbs to 53,000 lbs.* Plans exist for a 60,000 lb version so that the series may power airliners as diverse as the new Boeing 757 twin-engined short-to-medium-haul 200-seater and the biggest versions of the 400-seat-plus Boeing 747.

The RB-432 has a a thrust of between 15,000 lbs and 18,000 lbs. It is intended chiefly for smaller aircraft such as the 130-160-seater being planned by manufacturers throughout the world.

The engine may be considered as an eventual replacement for the civil Spey engine, which has rendered good service for more than 20 years in airliners such as the British Aerospace One-Eleven and the Trident series.

The new engine is the product of long research and development. It stems from a much smaller engine, the RB-401, of 5,500 lbs thrust, developed some time ago as a new, quieter, more fuel-efficient engine for business jets and other small aircraft, but embodying substantial new technology in fan and compressor design, with high reliability and long component life.

The RB-401, already running on the test-bed, showed such promise that Rolls-Royce has decided to turn it into the start of a big new "family" of engines, of which the RB-432 is one.

However, with big sums being spent on expanding the RB-211 family—several hundred million pounds on the further development of the Dash 524 version and the new Dash 535 version, for example—Rolls-Royce has very little cash to spare to develop the RB-432. Collaboration has become imperative.

It was natural for Rolls-Royce to look to Japan. There, the engine companies of Mitsubishi Heavy Industries, Kawasaki Heavy Industries and Ishikawajima-Harima Heavy Industries have all been involved with Rolls-Royce for years, IHI and Kawasaki especially in the manufacture under licence of the Adour military engine for trainers and combat aircraft.

At the same time, Japan has been showing interest for some time in further developing its aero-engine industry and eventually developing its airframe side with the joint manufacture of a short-to-medium-range civil airliner in the 130-160 seat category, exactly the type of aircraft at which the RB-432 is aimed, for the mid-1980s and beyond.

Rolls-Royce and the Japanese believe that once the new engine is seen to be in full-scale development, airframe makers *world-wide will show much* more interest in it.

Interest, however, has not been lacking. For some time, it has been increasingly clear that a large new market is likely to emerge in the mid-1980s for airliners to replace existing jets such as the One-Eleven, Fokker *F-28 and even such highly* successful type as Boeing 727 and 737. By the mid-1980s, many of those aircraft will have been in service for upwards of 15 years.

That replacement market is not being met by the types on offer: the European A-300 250 seat and A-310 200-seat Airbuses, or the Boeing 767 and 757 twin-engined 200-seaters. They are too big for the prospective 130-160-seater market *that is likely* to emerge.

Several important manufacturers have plans for such smaller airliners. Airbus Industrie, of which British Aerospace is a member, has recently appointed Mr. Derek Brown, a top-level designer, from British Aerospace, to co-ordinate the ideas of all its partner companies in the 130-160-seater field, called broadly by Airbus Industrie the "Joint European Transport," or JET.

His task will be to produce, in the next two years or so, a new design for a 130-160 seater that Airbus Industrie can offer to the world's airlines and which it can build with all its members sharing in the programme.

Airbus Industrie will be fighting formidable competition from Boeing. That company, which has sold more than 1,700 727s and 700 737s, is studying replacements or improvements for both types for the mid-to-late 1980s, and, significantly, has been pressing Rolls-Royce hard to launch the RB-432 engine.

Boeing believes that a combination of the RB-432 and a newly designed 737, with an aerodynamically more efficient wing to improve fuel consumption, might be a worldbeater. Rolls-Royce agrees, which is why it has been pushing to get Japanese support for the RB-432.

But the competition is tough. Pratt and Whitney, the world's biggest jet engine builder, has produced two new variants of its highly successful JT-8D engine, the model 209, with 18,500 lbs thrust, and the model 217, with 20,000 lbs thrust.

At the same time, General Electric of the U.S. and Snecma of France, which have teamed up to produce the CFM-56 engine of 22,000 lbs thrust, are offering a "de-rated" derivative of about 18,000 lbs thrust.

That is the competition Rolls-Royce must meet with the RB-432. Equally, however, had Rolls-Royce failed to develop this new engine, it would have lost a market that might amount to perhaps more than 1,000 engines before the end of this century, worth more than £1bn, *especially when the long-term* value of the spares is considered.

Thus, for its long-term future, the development of the RB-432 is likely to be as crucial to Rolls-Royce as the RB-211 series of engines has been and still is. Everyone in UK aviation must *therefore hope that the detailed* negotiations still to be held with Japan will succeed.

Fight for 25% pay rises justified says Wales TUC

BY ROBIN REEVES, WELSH CORRESPONDENT

THE TRADE UNION movement would be fully justified in fighting for pay increases of at least 25 per cent in the next pay round, the Wales TUC General Council decided in Cardiff yesterday.

It firmly rejected the CBI's case for settlements well below the rate of price inflation and said that in the coming round of wage settlements unions would have to retrieve a 3 per cent cut in the "social wage" flowing from public expenditure cuts and a 20 per cent inflation rate.

"Adding in an element for improved standard of living, we do not see how wage settlements can be pitched below 25 per cent," Mr. George Wright, General Secretary of the Wales TUC said.

The CBI has said that the average wage earner's real standard of living will have fallen only 7½ per cent over the last 12 months in spite of a likely increase in the RPI of 16 per cent.

According to the TUC's calculations the public expenditure reductions announced by the Government are equivalent to a loss of £2 per wage earner per week, or about 3 per cent of the average basic wage. Irrespective of the Government's proposed taxes and prices index due to be unveiled tomorrow, this loss as well as inflation, would have to be made up in the next pay round.

"We are not going to accept a lower standard of living from this Government," Mr. Wright said. It was also unacceptable for CBI representatives to call for trade union restraint in an economy which was now being managed according to the CBI's own philosophy.

Mr. Wright suggested the Government's only hope of more moderate pay demands would be a complete reversal of its present economic policies. *Indeed, the Welsh TUC agreed* formally to call on the Government to restore income tax and VAT rates to their pre-budget levels.

Given the 1 per cent drop in economic activity forecast for next year, this was the only way open to secure employment, investment and services, and to avoid deep levels of poverty, particularly in Wales, where 60 per cent of jobs were linked to public sector spending.

"We have challenged them to show any evidence their policies are going to achieve higher employment and a higher standard of living. All we have had so far is apologies."

The General Council meeting also agreed unanimously to give its full backing to any action by trade unions at the British Steel Corporation's Shotton works to resist the shutdown of steel making at the plant, with the direct loss of over 6,000 jobs.

Mr. Wright stressed that the public service unions had expressed as much concern as the *industrial unions over the threat* to employment and the whole community at Shotton. The closure plan was announced by BSC last month in a bid to restore the corporation to profitability by March 1980.

Talks on future of shipyards

By Our Labour Staff

SHIPBUILDING UNIONS are likely to be given details today of British Shipbuilders' plans on yard closures and more than 8,000 redundancies. The shipbuilding committee of the Confederation of Shipbuilding and Engineering Unions will meet the Corporation for talks in Newcastle.

British Shipbuilders believes further restructuring of the industry is essential for survival. Mr. Michael Casey, the corporation's chief executive, *said after publication of the* annual report, that work should be channelled to the most efficient yards.

Today's meeting will probably be a lengthy affair. The Confederation at its annual conference warned the Government that the unions do not intend to allow their members to be "massacred."

At Harland and Wolff shipyard union leaders began talks with management yesterday about ways of raising productivity in an attempt to avoid compulsory redundancies, which are expected in two months.

White collar union considers merger

BY NICK GARNETT, LABOUR STAFF

THE ASSOCIATION of Professional, Executive, Clerical and Computer Staff is preparing for a possible merger with another white collar union.

APEX union officials appear to believe there will almost certainly be an amalgamation. It could have wide implications for white collar unionisation and the structure of unions.

Senior APEX officials, including Mr. Roy Grantham, the general secretary, have been in tentative merger discussions with a number of other unions, including Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs.

There is considerable feeling among some officials of the 150,000 strong APEX that merger talks with ASTMS, which is three times larger, are likely to prove more successful than discussions with other unions.

Mr. Grantham and other APEX officials are understood to have concluded that major changes in the structure of collar unions are inevitable and that APEX needs to be part of a larger body if it intends to maintain its present influence.

APEX officers have been instructed by the executive to continue merger negotiations with other unions and prepare a detailed report by November if possible. There is also a new provision, however, for special meetings of the executive council on merger talks before November if the need arises.

The executive has already endorsed a report that APEX should not merge with any union unless the "special interests" of APEX could be protected. The merger must be shown to advance the interests of its members.

ACAS in talks today on rig caterers' strike

By Our Labour Staff

EMPLOYERS and unions in the North Sea offshore caterers' strike are due to meet officials of the Advisory, Conciliation and Arbitration Service in Aberdeen today.

Tug boat crews at the Sullom *Voe oil terminal in the Shet*lands are threatening to support the strike, which has disrupted supplies to more than 20 rigs and platforms.

Mr. Harry Bygate, regional official of the National Union of Seamen, said yesterday that if the tugmen joined the dispute the direct supply of oil would be affected. Catering workers at Sullom Voe have said that they are prepared to act in support of the dispute.

The unions representing offshore catering workers are seeking a minimum rate of £600 for a two-week-on, two-off period. They have been offered £440.

Arbitration call renewed in television dispute

BY GARETH GRIFFITHS

THE Advisory, Conciliation and Arbitration Service stepped into the independent television dispute again last night. It invited both sides for fresh talks tomorrow to discuss possible arbitration.

Yesterday, ACAS's earlier appeal for arbitration looked likely to fail. The Independent Television Companies' Association told the unions involved (the Association of Cinematograph, Television and Allied Technicians, the National Association of Theatrical, Television and Kine Employees, and the electrical and plumbing trades union) that it was not prepared to go to arbitration over its pay offer of 15 per cent. It would submit only craftsmen's differentials to arbitration.

NATTKE and ACTT meet today to consider their position. Mr. Jack O'Connor, national ITV officer for the ACTT, was in favour of limited arbitration and said the companies' approach was irresponsible.

The dispute has lasted a month, and independent television has been blacked out except for Channel since Friday. The unions want about 25 per cent, compared with the company's across-the-board offer of 15 per cent. Both sides think the dispute might be long.

Chrysler move

A MASS meeting of 500 Chrysler workers decided in Coventry yesterday to continue their strike. The stoppage has halted all car output throughout the company.

Courtaulds closure row to go before tribunal

BY RHYS DAVID

COURTAULDS, Britain's biggest textile group, is to appear before an employment tribunal next month.

The panel will rule on union charges that the company failed to consult adequately with employees at its Spennymoor, Co. Durham, yarn plant before its closure earlier this year.

The tribunal, in Middlesbrough, will be asked by four unions—the National Union of Dyers and Bleachers, the Amalgamated Union of Engineering Workers, the Association of Professional, Executive, Clerical and Computer Staff, and Courtaulds Senior Executive Staff Association—to make a protective award enabling the 1,600 workers who lost their jobs at the factory to claim compensation on top of redundancy payments already made.

Journalists may break relations with Newspaper Society

BY OUR LABOUR EDITOR

THE National Union of Journalists is considering breaking off relations with the Newspaper Society until 28 members dismissed by the Nottingham Evening Post during last winter's strike by provincial journalists are reinstated or the paper's owners are expelled from the society.

Provincial journalists' delegates will meet in Birmingham early next month to discuss the suggestion, but the decision will be left to the union's national executive committee.

If relations are severed, the union would refuse to negotiate a national wage agreement later this year with the society, which represents provincial newspaper managements. All bargaining would then be done piecemeal at the individual papers.

About 18 of the dismissed journalists are working for the Nottingham News, a "limited liability co-operative" weekly set up in rivalry to the Post, which is owned by T. Bailey Forman.

The union's executive is trying to raise — with the help of other unions — about £100,000 to support the venture, which, although it is said to be breaking even, needs to expand if it is to survive. The union is paying the salaries of the former Post journalists there.

Mr. Charles Harkness, deputy general secretary of the union, said that the News needed more staff and expertise in accountancy and advertising.

- Clerical members of the National Society of Operative Printers, Graphical and Media Personnel at The Sunday Times were meeting last night to discuss the formula for republication of The Times and The Sunday Times agreed nationally by all the unions. Other NATSOPA branches have rejected parts of the formula, and reappearance of the papers looks unlikely before October.

NUJ complaints rejected

A NEWSPAPER editor was under no ethical obligation to report why his paper failed to appear when it resumed publication after two weeks, the Press Council says today.

The council has rejected a complaint against the weekly Middlesex Advertiser and Gazette brought by staff who are members of the National Union of Journalists. It also rejected their complaint that the paper failed to publish a letter about a strike in which they were involved.

An explanatory panel on the front page the following week was not adequate, the members said.

The council found that it was a matter for the editor's discretion whether he reported the dispute on the first occasion. "Whether he exercised his editorial judgment wisely or unwisely is not a matter on which the Press Council is required to comment, and it makes none."

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● DATA PROCESSING

UK product works in real time

RELIANCE IS a commercial software package from Perkin-Elmer's UK-based commercial software group, believed to be the first data management system designed from the start for real-time transaction processing.

Fast program development, combining high performance and reliability with automatic system integrity frees the programmer to concentrate entirely on the application solution.

Development by its Slough-based team for marketing by Perkin-Elmer worldwide, Reliance reflects the growing world stature of British expertise in computer software development.

Heart of package is the data management system DMS/32 which is COBOL-based and is for use with all Perkin-Elmer's 32-bit Superminis. It is ideal for exacting applications requiring high performance transaction based processing and will appeal particularly to users in distribution, manufacturing and service industries.

For the multi-terminal user, DMS/32 optimises database access and deals effectively with the problem of contention for database access for up to as many as 128 simultaneous users.

Where rapid recovery after system failure is important, Reliance is notable. As well as backing out any faulty transactions during restart, it also tells each terminal user the status of his last transaction.

System integrity is a major feature of Reliance, with optional logging of all transactions as well as automatic prevention of concurrent modification of one record by more than one user. Access to applications can be restricted by a hierarchically structured password system.

For the user concerned about performance degradation due to progressive loss of disc space allocation efficiency, Reliance continuously reclaims space and reorganises data to ensure maximum system performance.

Perkin-Elmer is offering for use with Reliance, an RPG II compiler. This provides an easy-to-use, batch-oriented report generating facility for a simple approach to the solution of business problems.

Perkin-Elmer, 227, Bath Road, Slough, Berks. Slough (75) 34511.

Aid to problem solving

SIMULATION SYSTEM which is a valuable aid in solving a variety of complex management problems is available in an easy to use service from Scicon of Milton Keynes.

Often, managers have complex problems which cannot be solved by an ordinary analytical approach, but can be solved using a model of the system and investigating it under a variety of conditions.

HOCUS (Hand or Computer Universal Simulator) overcomes this problem by formulating the problem in an easy to understand diagram which can be checked for validity by hand, prior to solving the problem by running the model on a computer.

This means a wider group of people can be involved in the hand simulations as well as understanding the final results.

Scicon offers two versions of HOCUS (HOCUS 3 and HOCUS 4) as well as advice in their use on a service bureau basis. A simulation consultancy service is also available. The difference between the two versions is that with HOCUS 4 the user can interact with the simulation while it is running.

Scicon, Brick Close, Kiln Farm, Milton Keynes, MK11 3EJ (0908 565656).

Two micros from NEC

TWO single-chip 8-bit microcomputers have been introduced by NEC Electronics (Europe). Processors differ only in their internal program memory options with either 2K bytes of mask ROM or an external program memory.

They are compatible with industry standard devices and peripherals, and are contained in either ceramic or plastic 40-pin packages.

Instruction set is 1 or 2 bytes and the cycle time is 2.5 microseconds. Both units will function as stand-alone microcomputers but their functions can be expanded considerably with peripherals.

Both devices are manufactured using NMOS silicon gate technology and require a single +5V supply.

NEC Electronics (Europe), 43, Civic Square, Motherwell, Scotland, ML1 1TH. 0698 69121.

● LIGHTING

Ultraviolet or visible

COMPACT AND portable, an ultra-violet/visible light source for a variety of laboratory applications is introduced by Hanovia Lamps.

Model 16L projects a powerful beam, which, when unfiltered, provides ultra-violet and visible radiation in the 250-600 nano-metre wavelength band. The lamp can be attached to its power supply unit and angled for table-top use or held by its pistol grip to enable quick and reliable fault-detection tests to be made on components in difficult situations without time-consuming and costly dismantling.

Filters supplied with the unit and mounted in the detachable lamp head enable various spectral regions to be isolated for specific applications.

Filter No. 1 passes radiation in the wavelength region 300-400 nano-metres for use in fluorescent analysis and is capable of exciting fluorescent materials at a distance of several feet.

Hanovia Lamps, 480 Bath Road, Slough, Berks., SL1 6BL. Burnham 4041.

● MATERIALS

Saving money on mouldings

MOULD makers requiring large-area, thin sections of mould steel can now make significant economies by using steel plate in thinner sizes than those obtainable by conventional forging or bar-rolling. Until recently only commercial or structural grades of steel were available in plate form; grades which do not normally have the compressive strength or polishability demanded for applications such as plastics injection moulds.

Uddeholm, the U.K.'s largest tool steel stockholder, now able to supply plate rolled tool steel in sizes up to 5,000 mm x 2,000 mm x 160 mm (16ft 6in x 6ft 6in x 5.25in) in four grades. These include stainless mould steel which offers excellent corrosion resistance and can be readily polished to an optical surface finish, material suitable for polishing to a mirror finish, metal for plastic moulding and diecasting dies and a pre-hardened bolster steel.

An example of the saving to be made by using tool steel plate is shown in the photograph, where a 1,000 mm diameter table top is being produced from a mould made from UHB Stavax ESR stainless steel plate. The manufacturer, Formwood, Coleford, Gloucestershire, was able to reduce the thickness of the mould plates by over 40 per cent from 120 mm (4.75in) to 50 mm (2in) which resulted in considerable savings in both material and machining costs. The overall size of the mould plates was 1,200 mm sq x 50 mm (47.25in x 2in).

Further details from Uddeholm, Crown Works, Rubery, Birmingham, B45 9AG. (021-435-6161).

Degradable plastic bags

VIKING PACKAGING has started introductory work on degradable polyethylene bags which are now undergoing extensive tests at a major plant bakery.

Performance to date has been excellent, says the company, but general availability of the bags will remain limited over the next year or 18 months since the production of the essential ingredient (from Spillers Starch Supplies) is still at the pilot stage.

The two products from Spillers are: Plastarch (which accelerates plastic degradation by micro-organism in the presence of the oils and minerals commonly found in all garbage tips) and Biostarch (which contains the natural mineral salts as well as oils, enabling accelerated degradation of plastics when they are buried under the soil over a period of three to four years).

Degradable bags made by Viking, whether using Plastarch or Bostarch, have very significantly reduced cling or stick characteristics, making the film easier to handle at the print and conversion stage and, subsequently more adaptable to mechanical handling processes such as automatic opening and filling—thus reducing bag wastage.

Original research for this development was undertaken by Mr. G. J. L. Griffin, Reader in Polymer Technology at Brunel University, who continues to be closely associated with the further development, production and application of these products by plastics manufacturers.

More from Viking at Berry Hill Industrial Estate, Droitwich, Worcs. (090-574466).

Resistant wiring

SOME 18 MONTHS after signing a licence agreement with the American firm Haveg Industries, Fothergill and Harvey has announced that its new plant is coming on stream to produce Exar cross-linked polymeric insulated wire.

Fothergill is already a major European supplier of fluorocarbon insulated wires and cables primarily designed for use in the aircraft and electronics industries and this new plant, costing nearly £¾m, will allow the company to enter the medium-temperature insulation range of up to 150°C. It is also the start of a plan to centralise all the company's wire and cable manufacturing facilities within one building on the Littleborough site.

Exar wires and cables are employed in the U.S. as motor lead-out wires, internal wiring in domestic appliances, light fittings, busbar connectors and for passenger vehicles. Exar offers savings in conductor volume that can be as high as 30 per cent. The higher temperature rating of Exar's cross-linked insulation means that a smaller-gauge conductor can be employed to carry the same current, resulting in a more compact wire of lower weight and at a lower cost.

Fothergill and Harvey, Gummit, Littleborough, Lancs OL15 9QP. 0906 78831.

One layer holds rust at bay

BZP ONE coat zinc phosphate primers are being offered in non-flammable versions.

One-coat primer from this maker has proved excellent for treating poorly prepared steel surfaces to prevent rust or which are already rusty. It is easily applied by brush and is ideal for dipping and spraying.

BZP paint film is virtually non toxic and steel can be cut or welded without injurious toxic fumes being given off. Moreover, rust does not spread under this film if it is cut or damaged.

Synthetic and Industrial Finishes, Imperial Way, Watford, Herts. WD2 4JW.

● CONSTRUCTION

Measuring code

THE ROYAL Institute of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers have published a Code of Measuring Practice available at £1 from Publications Dept., RICS, Norden House, Basing View, Basingstoke, Hants., or from the ISVA, 3 Cadogan Gate, London SW1.

● SAFETY

Valve will not leak

THREE-YEAR guarantee of zero leakage on its positive shut-off valves is offered by Intercontinental Valve Manufacturing Company (IVMCO) whose first subsidiary outside the U.S. is TruSeal UK. The latter is to provide complete technical and commercial support for the TruSeal range of positive shut-off valves, being manufactured in the UK.

Absolute shut-off, under all rated conditions of temperature and pressure, is provided through soft seals in the valve which retract from their positive contact with perpendicular movement, so there is no rubbing or wear to limit life.

When a valve does need maintenance, its design enables seals to be replaced easily and quickly without removing the valve from the pipeline.

Available in sizes from 2 to 24 inches, ANSI Series 150 and 300, they are particularly suited to petroleum handling applications where absolute shut-off and double block and bleed are essential for positive segregation of products or equipment.

TruSeal, Doman Road, Camberley, Surrey, GU15 3DF.

● COMPONENTS

Light keeps the data flow cleaner

TEST AND measuring instruments equipped with IEEE-488 digital interfaces can be operated at distances up to 100 metres from associated computer-controllers, using a fibre optic link developed by Hewlett-Packard.

Overcoming distance restrictions, HP12050A links permit data to be passed in both directions at speeds up to 20kbyte/s with high integrity: data is not affected by the large electro-magnetic disturbances that typically occur in many industrial environments. In addition, the fibre optic medium offers total electrical isolation and effectively solves unwanted ground loops and other common mode problems that can be troublesome.

Typically a link comprises two HP12050A end-of-link units and dual-channel fibre optic cable which can be installed in conventional conduit using standard cable-pulling techniques. As far as the user is concerned the fibre optic link is transparent. No additional programming is required.

Bit parallel information is serialised at the sender and reconfigured at the receiver, using silicon-on-sapphire microprocessors which automatically perform self-test at power-up and on request via user programmes. During transmission the microprocessors check for transmitted errors, using a check-sum algorithm. If an error is detected, retransmission occurs until the transfer is completed.

Dual channel terminated cables can be supplied in various lengths.

Hewlett-Packard, King Street Lane, Winnersh, Wokingham, Berks RG11 5AR. Wokingham 784 774.

Converters for motors

VARIABLE current dc link converters for various sizes and types of three phase motor are announced by Siemens, Windmill Road, Sunbury-on-Thames, Middx TW16 7HS (09327 85691).

Simovert A is for the control of standard three phase squirrel cage motors. Complete cubicles containing the switchgear, instruments and control elements in addition to the converter are available for outputs from 14 to 530 kW and for supply voltages of 380 to 500 volts. The converters are suitable for driving and braking in both directions with regenerative energy feedback into the mains supply.

Another type, Simovert S, is for permanent field synchronous motors with power ratings from 7.5 to 36 kW. These are chassis units which can be fitted in any cubicle or machine frame.

Taking up movement in brickwork

LASTO-STRIP, recently introduced in the UK by Simonbuild, Stockport, (Simon Engineering Group) is a form of synthetic rubber bearing to accommodate relative movement between the surfaces of loadbearing brickwork or other forms of masonry construction, and the concrete slabs that they support, with the advantage of noise attenuation.

Other commonly used materials such as fibreboard, hardboard, building paper, roofing felt, etc., do not adequately transmit the vertical loads without the risk of cracking the uppermost sections of the walls due to creep, shrinkage and thermal stresses. Even deflection of the slab under live loading may be sufficient to cause rotation at the support and induce cracking.

The synthetic rubber layer will minimise the possibility of cracking under these and similar conditions, improving the appearance of the structure and saving maintenance costs during its lifetime. Applied between the support walls and suspended slabs the bearing will provide an elastic seating to absorb horizontal and rotational movements and allow for unevenness in the contact surfaces.

Available in convenient one-metre lengths in the form of a continuous strip of synthetic rubber or individual pads prepared to reduce friction and surrounded by a filler to simplify installation, it is supplied in a range of standard widths from 100mm to 320mm to suit the dimension of the wall, with other widths available to order.

Simonbuild, Stockport SK3 0RY. 061-428 3600.

● BANKING

Robot cashier runs round the clock

TC 800 ATS-TTW system (Automatic Teller System—Through the Wall), specialised for banking applications has been added to Olivetti's TC 800 family of distributed data processing equipment.

This new unit is a further version of the TC 800 ATS and is for use in external, unprotected environments to provide an independent, 24 hour service outside a bank, in a motorway service area, in a hospital lobby, in airports, company buildings, etc. The system automatically provides a number of teller services such as cash withdrawal and deposit, balance to date and statement of account.

It consists of a central processing and control unit, floppy disc storage, keyboard, 260-character video display, badge reader, printer and cash dispenser.

Programming capabilities, modular architecture and both off-line and on-line (with remote computers or other TC 800 systems) operation modes make the system suitable for any application, according to the particular requirement or the bank's organisation.

Every transaction on the TC 800 ATS-TTW starts with the insertion of the customer's personal badge into the terminal, which enables him to communicate with the system. Then the customer enters his personal code number on the keyboard and identifies the type of operation that he wishes to carry out, the amount involved etc. He is guided through every stage of the operation by the message which appears on the screen.

In the system, security has received a special attention. A number of devices are provided for this purpose, either mechanical (anti-vandal door, screen protection, bank-note dispenser and deposit protection etc.) or electronic (alarms, automatic locking of cash-box, bank-note fault detector, etc.). Controls are also provided by the software, such as personal code, badge check and 'hot card' file management (to keep a record of lost, stolen or expired cards).

British Olivetti on 01-629 8807.

● METALWORKING

Folds sheet metals

NOW AVAILABLE from Rivers Machinery is a range of heavy-duty sheet folding machines with capacities of up to 3 mm steel sheet thicknesses.

Called Rivers Cidan BMF, there are four sizes of bending lengths, from 1050 mm to 2550 mm. Mild steel thicknesses up to 3 mm can be handled by the smaller machines, while the larger units will take 1.5 mm steel.

Machines are said to be quick and easy to operate and include an adjustable counter balanced clamping beam and movable fold stops for accurate angle folds.

● ENERGY

Smokeless power from rubbish

CLEAN EXHAUST emission achieved by the pyrolytic method of combustion gives distinct advantages over conventional incineration techniques.

It permits elimination of paper, cardboard, wood, plastics, textiles, organic waste, car tyres, used oil, etc., in small decentralised incinerators, without the need for dust and gas separators. This, together with energy recovery from the exhaust gases, makes the pyrolytic incinerator an economically interesting alternative.

Hoval Farrar of Newark, Notts, brings in these units from Hoval of Switzerland in four sizes, which are capable of handling from 150lb up to 1,300 lb per hour.

During the pyrolytic process waste materials are degassed by the action of heat and oxygen starvation. Gases generated are mixed with air in a second stage and burned. Dust particles are not carried along by the air during degassing as there is no turbulence. The secondary combustion temperature in excess of 800 deg. C ensures a non-toxic and purified exhaust.

Reduction in the volume of waste is in the 94 per cent-98 per cent range and the unburnt organic matter in the ash is minimal at below 2 per cent of the sterile ash weight.

Heat recovery becomes a practical proposition from around 1 tonne per day of waste and purpose-built heat exchangers are available to provide steam or hot water for linking with heating and process systems.

Payback periods are becoming increasingly attractive with, for example, the heat content of 1 tonne of packaging material corresponding to 70 gallons of gas oil.

Hoval incinerators are available in a modular form for basic manual loading up to fully automatic loading and with or without heat recovery. They can be installed inside or outside and require minimal maintenance.

Hoval Farrar, Northgate, Newark, Notts, NG24 1JN. 0636 72711.

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Letters of application, together with c.v., salary progression and any other relevant data, should be forwarded without delay to: Mr. C. A. Cotton, Executive Recruitment Division, MLH Consultants Ltd. Park House, 22-26 Great Smith Street, London SW1P 3BU quoting reference A146.

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A chartered accountant, aged mid thirties upwards, is required, who has had considerable managerial experience either in the profession or in commerce. High technical ability and an aptitude for consolidating financial statements of material public companies with substantial overseas interests are necessary.

Salary £16,000. Location City of London.

Please write in confidence for an application form and a job description to David Prosser. Executive Selection Division, Southwark Towers, 32 London Bridge Street. London SE1 9SY, quoting MCS/3774.

Price Waterhouse Associates

Kemp-Gee & Co.

Members of The Stock Exchange

are seeking a

RETAIL ANALYST

John Hewitt and Geoffrey Carr are looking for an intelligent and personable analyst to aid them in their coverage of the food retailing and stores sectors. A couple of years experience of investment analysis would be ideal though this need not necessarily have been in the retailing area. Within eighteen months or so the successful applicant would be expected to emerge as a fully fledged member of the team. An excellent opportunity for the right person.

Please write, in confidence, to:
John Hewitt, Kemp-Gee & Co.,
20, Copthall Avenue, London, EC2R 7JS.

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c. £12,000 + Car

Dixons, a rapidly *expanding multi-national* public company, engaged in retailing and distribution throughout the world, wishes to appoint a Finance Director for an important subsidiary with a £10m turnover in South East England.

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Please write stating your qualifications, experience and why your background would enable you to fill this position to:-

**A. Binns, Employee Relations Director
Dixons Photographic U.K. Ltd.,
Prinz House, 54-58 High Street, Edgware, Middx.**

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FINANCIAL CONTROLLER

Chichester c. £10,000 + car

Oakley Investments Limited owns and manages a number of companies in the U.K. holiday industry. As a result of continuing expansion through acquisition, it has been decided to centralise the financial management of the group.

The Financial Controller, who will report to the Managing Director, will direct the accounting, cash management, project and acquisition appraisal, and secretarial activities of the group. He or she will be required to deal directly with operating managers at various sites in the South of England.

Applications are invited from qualified accountants, aged between 28 and 35, who can demonstrate sound experience of financial management in a service industry. Please send personal and career details, in confidence, to R. M. Orr, F.C.A., Managing Director,

OAKLEY INVESTMENTS LIMITED,
28A Cadogan Square,
London, SW1X 0JH.

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McGraw-Hill Publications Company,
34, Dover Street. W1X 3RA.

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EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

TWO STRATEGIC ANALYSTS

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International Scope

This quoted British group with wide UK and overseas interests has achieved conspicuous profit growth both internally and by acquisition. The corporate headquarters, located in the Southern Home Counties, includes a high calibre financial staff intimately involved in the control and creative decision making of the group.

There is a powerful team, reporting to the Group Finance Director, appraising business situations and working on a wide variety of projects. They investigate and evaluate commercial opportunities and markets at home and abroad; and are involved in forecasting, fund raising, acquisitions and other financial functions. When decisions have been taken, there may be occasions for assisting in their implementation; and it is from this that there are substantial career development opportunities in either the financial or commercial areas of the group. From this and recent promotions, the current vacancies arise.

The senior post is for someone aged late 20's with several years' directly relevant industrial/commercial experience. Candidates must be able to develop and control projects on their own initiative, supervising others as necessary.

The second vacancy offers an opportunity for an outstanding younger person wishing to develop a career in this area.

All candidates should have very good degrees and must be numerate and articulate and able to make high level written and verbal presentations.

Salaries are negotiable and there are normal large group benefits including relocation assistance.

Candidates male or female, should send a detailed career history to the consultant advising on this position quoting reference G73 IFT.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD. 01-629 9496

Senior Financial Appointments

International Business

Our client is the international finance and marketing subsidiary of a major British Bank, based in the City of London. It has 40 subsidiaries in 15 countries and an impressive growth record. Each appointment presents excellent personal development opportunities and there are very good prospects of early promotion.

Group Financial Accountant — c. £11,000 + car

To supervise the preparation of the Group's financial accounts; maintain and develop accounting policies and procedures throughout the Group; and advise Senior Management on Treasury matters. A Chartered Accountant aged about 30 is required, preferably a graduate, with experience both in a leading firm of accountants and a major multi-national organisation. An appreciation of international taxation and foreign exchange matters is essential, together with the ability to participate in the development of corporate plans. (Ref. 6435).

Financial Analysis — c. £10,000 + car

The Manager, Financial Analysis and Profit Planning will be responsible for providing information to Group Management for evaluating the performance of Operating Divisions: this will include the preparation and review of operating budgets, corporate plans and investment proposals. He/she will also be responsible for developing and maintaining a computer-based management information system. (Ref. 6436).

Both appointments carry a company car, BUPA, pension and other benefits and are open to candidates of either sex.

Please write in confidence to Brian Luxton quoting the appropriate reference.

mh **Mervyn Hughes Group**
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

Financial Director Designate

Circa £11,000 + Car + Bonus

A unique opportunity exists for a top level, seasoned and professionally qualified accountant to fill the post of Financial Director Designate. Brevitt has a multi-million turnover and is a highly profitable member of a substantial group.
The post carries responsibility to the Chief Executive of the Brevitt group for:

* Day to day financial control and guidance of a group of five companies
* Personal preparation and supervision of detailed monthly management accounts and other control information
* Direction and control of a substantial modern computer data processing function
* Key involvement in the group's policy and senior executive management decision making.

Brevitt's management philosophy is to keep its Senior Executive small and highly involved so providing a high level of personal satisfaction.

The rewards for the successful applicant in this challenging position will be high:

* Appointment to the Board of Directors within 12 months
* Normal top level fringe benefits
* Total involvement with a small, professional and highly dedicated Board which respects results.

We believe that candidates below the age of 35 years are unlikely to have the experience required by this post.

**Applicants should write giving detailed experience, career history and salary progression to the Chief Executive at:
Brevitt Shoes Limited, 181 Humberstone Road, Leicester.**

Brevitt

هكذا من الأصل

Finance Director

Approx. £20,000 pa + Substantial Benefits

A leading UK based international company has a key vacancy for a Finance Director in one of its operating divisions. The division is jointly owned with a major world-wide corporation. It operates as a profit-responsible unit with its own trading subsidiaries and has considerable autonomy in business and product strategy. Its manufacturing operations in the UK and overseas employ some 5000 people; turnover is around £60 million with considerable scope for growth based on well-researched product innovation.

The Finance Director will need substantial experience in manufacturing industry with emphasis on operating effective controls and information systems in a batch production environment. Candidates, probably 35-40, will desirably have a degree and an accounting qualification. They should be experienced in US techniques of Controllership, including product line profit analysis, and be able to supervise formal accounting processes. Cash management experience is essential, but major financing issues are handled by the parent organisation.

This post is the key staff role in support of the Division's Managing Director and has excellent career prospects for the right candidate, either in general management or in the finance function of the parent companies.

The position, based in the North Midlands, carries a profit-related bonus, an executive car and other benefits in addition to a base salary in the region of £20,000.

Ref. B9642/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Foreign Exchange and Currency Deposit Brokers

Our Clients are **SARABEX LIMITED** who, following their recent recognition in the London market, seek to recruit additional broking staff.

The current requirement calls for a number of experienced Foreign Exchange and Currency Deposit brokers in London, in Bahrain and Frankfurt.

This represents outstanding career opportunities for ambitious young brokers with a proven expertise to develop with a forward looking and professional organisation, with realistic salaries and benefits to match.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

Tax Accountant

London — Up to £11,000

The Confederation of British Industry has a vacancy in its Taxation Department for a well-qualified, able accountant in a team whose role is to promote and represent the interests of British business.

We are looking for a candidate interested in formulating proposals and advising on CBI taxation policy and accounting standards. The work will involve contacts at a senior level with CBI members and Government officials.

The ideal candidate will have some experience and an active interest in economics – a degree in economics or a closely related subject would be particularly valuable. An ability to write clearly and concisely is essential.

Salary will be competitive and depending on age and experience could be as high as £11,000 or possibly more for an exceptionally well qualified candidate.

For application form, please contact Sue Bridgett, Personnel Division, CBI, 21 Tothill Street, London SW1H 9LP (Tel. No. 01-930 6711).

The Confederation of British Industry

Britain's Business Voice

Financial Director

Designate

c. £13,500 (negotiable) + Car — Bedfordshire

A privately owned, lively and expanding light engineering company (T/O £5 million) requires a qualified accountant for this most important appointment.

Reporting to the Managing Director, he/she will advise the Board on all present and future financial aspects of the business and ensure that tight controls are exercised in the negotiation and progress of contracts. Satisfactory performance will lead to an early Board appointment.

Candidates, preferably under 40, should have appropriate industrial experience gained, ideally, in an engineering contracting environment and must possess independent but diplomatic temperaments. Salary is negotiable according to ability and experience. Normal benefits; relocation expenses.

Applications in confidence to E.A.C. Griffin (Ref. 6433).

Mervyn Hughes Group

2/3 Cursitor Street, London EC4A 1NE

Management Recruitment Consultants

01-404 5801

Senior Appointments

ACCOUNTANT CONSUMER CREDIT

£10,000 + MORTGAGE BENEFITS

A brand new subsidiary of a well established City banking house offers a Qualified Accountant, aged 30-45, an opportunity to apply initiative and leadership setting up a new venture in the Consumer Credit field.

Excellent benefits include Life Assurance, Pension. Ref: (B) 222.

Write or telephone in strictest confidence to Mark Lockett.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS

41 London Wall, London EC2M 5TB · 01-588 5105

Foreign Exchange Dealer

We require a Foreign Exchange Dealer aged 22/28 with at least 2/3 years' experience in all aspects of foreign exchange and Euro-currency deposits.

As well as a competitive salary we offer benefits commensurate with the position.

Please write giving full personal details to:

P. F. G. Barnes.

Assistant Director, Personnel,

Kleinwort, Benson Ltd.,

20 Fenchurch Street,

London EC3P 3DB.

KLEINWORT, BENSON

Merchant Bankers

Bulkships Limited

GROUP TECHNICAL MANAGER

(Location—Australia)

The Bulkships Group, an expanding Australian-owned International shipowner, seeks to appoint an innovative and energetic executive to the Company's Head Office in Sydney, New South Wales.

The person appointed will be a skilled manager capable of directing a technical group involved in creative ship design, specification preparation, tender evaluation and supervision of ship construction. As the Company's marketing effort is largely based on providing innovative cost-effective solutions to today's shipping problems, the successful appointee will be expected to participate in the marketing of the Group's services as well as overseeing the efficient operation of the existing fleet, presently consisting of sixteen vessels.

This is a demanding role which will involve international travel and travel within Australia.

It is probable that the right person will have a strong marine engineering/design background and proven management experience in shipping or a similar capital-intensive industry.

This is a senior appointment and the remuneration package, including relocation expenses, will be negotiable to attract a manager of the stature needed.

Applications, which will be treated in utmost confidence, should be marked "Private" and addressed to the Group's UK Agents:

McILWRAITH McEACHARN LTD.

65/68 Leadenhall Street

London EC3A 2DD, England

For the attention of the Executive Director.

Telephone enquiries may be directed personally to:

Mr. C. P. Barrington — Telephone (01) 488 2501

Corporate Audit Representative

Up to £12,000

Our client, the Corporate Audit Department of a major multi-national company, requires a Corporate Audit Representative for the U.K. The successful candidate will be located in or near London and will make operational reviews of all mangement functions in a wide range of business throughout the U.K.—including manufacturing, distribution, service, financial companies and others. He/she will also assist in training of local internal auditors and will maintain a liaison between the audit departments of U.K. subsidiaries and corporate headquarters. The job will probably require more than 50% weekday travel within the U.K. and occasional trips to other European locations.

The ideal candidate would be a Chartered Accountant in his/her mid 30's with a broadly based business background. The company has a comprehensive benefit scheme and will provide for relocation.

Please send full c.v. to:—

Sir John Trelawny,

Korn/Ferry International Ltd.,

Executive Search Consultants,

2/4 King Street, St. James's,

London SW1Y 6QL.

KORN/FERRY INTERNATIONAL

BANKING & FINANCE

ACCOUNT MANAGERS: Credit analysis, marketing and basic operations experience desirable. Aged 28-32.

OPERATIONS MANAGERS: Retail banking experience including securities, doc. credits, import/export bills. Aged 26-34.

LENDING OFFICERS: Experience required, formal lending training with 2 years credit analysis and basic operations exposure. Aged 30-35.

PROJECT FINANCE MANAGERS: Credit analysis training and experience of back-to-back/buyer credits and ECGD documentation for specialist lending appointments. Aged 30-35.

AUDIT INSPECTION: AIB's with basic operations experience or young Accountants with languages. Aged 26-30.

All these vacancies are based in C. London and carry excellent salary and benefits packages. We have many other urgent vacancies requiring quality bankers at all levels, if you are thinking of changing your position please contact Mike Jackson.

HUDSON SHRIBMAN INTERNATIONAL LIMITED

International Recruitment Consultants

29-31 Mitre Street, London, EC3.

Tel: 01-283 1954

CHIEF ACCOUNTANT

City — c. £10,000 p.a.

A major firm of City Solicitors wishes to recruit a qualified and mature accountant (A.C.A., A.C.C.A., or A.C.M.A.) to be responsible to the Head of Finance for the firm's accounts department and its staff of nine.

The successful candidate will be responsible for the day-to-day running of all operations of the department including DP, the preparation of monthly reports/management accounts and draft annual accounts and for assisting in the development of systems which are based on IBM computer hardware.

Candidates should be mature and widely experienced accountants, probably in their late 30's or early 40's, with an awareness of the particular concepts of partnership accounting, possibly with large firms of solicitors. The salary is negotiable around £10,000 per annum plus pension scheme and other benefits, and the firm has excellent working conditions in modern offices.

Applicants, male or female, should write in complete confidence giving full details of previous experience and current salary to J. W. Hills, Arthur Impey Morrish, Management Consultants, 40/43 Chancery Lane, London WC2A 1JJ, quoting reference C 1472.

A.I.M.

Finance in an International HQ

£6000-£10,000 basic — London

ICL has a major success story to tell about its growth. It has become Europe's leading Company designing, manufacturing and marketing business computer systems. We have doubled our turnover and profit in the last 5 years and in 1978 half our turnover of over £500m came from our overseas operations.

To help us achieve our future growth we now need three Financial Analysts and a Senior Accountant in our Corporate Finance Group, in Putney, South-West London.

3 Financial Analysts

The Financial Analysts will be part of the team reviewing the plans and performance of the operating divisions. It is likely that you will be a Business Graduate or an Accountant, have experience of financial analysis in a major international company, and have the capability to help us further develop modern techniques of planning and control.

Senior Accountant

The accounting post would be suitable for a recently qualified Accountant with some experience of auditing the consolidated accounts of large companies. This would be a good transition job into industry.

The career prospects for the men and women we appoint are excellent, with plenty of opportunities for those who prove their worth either to progress in Corporate Finance or to transfer into our operating units in the UK and overseas.

The salaries offered will depend on qualifications and experience.

Please send details to Katie Lawrie at ICL, ICL House, Putney, London SW15 1SW, quoting reference F1437. Or telephone her on 01-788 7272 ext. 2645.

International Computers

think computers – think ICL

ICL

A career in Corporate Banking

Financial Institutions

We are seeking a qualified Banker to join our well established and expanding Financial Institutions Group based in London.

Ideally you will be aged between 28-35 and have a sound know ledge of the City's insurance and investment institutions.

Alternatively you may have an appropriate professional qualification and have gained equivalent experience, possibly as an analyst/lending officer in another international bank; or as an investment manager; or as an analyst/salesman in institutional stockbroking.

Most importantly, you should be strongly motivated, have the will to succeed and possess the ability to deal effectively with people.

This is a senior post and we are offering an appropriate salary and benefits which will be negotiable. Career prospects are excellent and there will be scope to advance into a broader management role in due course.

Applicants, male or female, should please write in the first instance, giving full details of your career and salary to date to:

Philip Horsley, Assistant Manager,

Personnel Department, Chemical Bank,

Chemical Bank House, 180 Strand,

London WC2R 1ET.

CHEMICAL BANK

Senior Financial Executive

London — £13,000+

A well known Arab international investment group requires a fluent arabist to co-ordinate and develop the investment and financing functions of the London-based company.

Experience of international investment/merchant banking is a pre-requisite of this key position and the successful candidate, who is likely to be in their early thirties, will be expected to maintain and expand both personal and institutional client relationships.

Salary, supplemented by a bonus, may be related to responsibilities for overseas affiliates as well as to the London-based company. Fringe benefits include a non-contributory pension, life insurance, enrolment in BUPA and relocation expenses where applicable.

Please send particulars to: L. F. Charlesworth, Knight Wegenstein Limited, 13/14 Cornwall Terrace, Regents Park, London NW1 4QP. Quoting Ref. 60420.

Knight Wegenstein Limited

Executive Recruitment Consultants

Management Consultants and Consulting Engineers

London · Stockport (Greater Manchester) · Zurich

Dusseldorf · Madrid · Paris · Stockholm · Vienna · Chicago

Financial Analyst

We are looking for an experienced analyst aged 26-28, who has spent at least 4/5 years in a Merchant Bank or Stockbrokers involved in company analysis covering a variety of U.K. Industries. A knowledge of foreign markets would also be a distinct advantage. The successful candidate must have experience in Financial Analysis, a high degree of technological competence and a good writing style. He, or she, must be a self starter and capable of working with a minimum of supervision.

The position offers the opportunity to work in a small specialised team within the Corporate Finance department. Promotion prospects are good for the right candidate. In addition to a competitive salary, fringe benefits will include house mortgage assistance, non-contributory pension arrangements and free life cover.

Please write giving details of experience and career to date to:

P.F.G. Barnes, Assistant Director, Personnel,
Kleinwort, Benson Ltd., 20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

Chief Accountant

Herts–Essex border

The company, part of a large British group, has a turnover of £20m. and is a market leader. It manufactures and sells roofing products to merchants and sub-contractors.

The Chief Accountant is responsible for financial accounting as well as the cost and management accounting function which is controlled by a qualified man. There will be some involvement with tax, foreign exchange and capital investment programmes.

Candidates must be qualified and have several years' financial experience in a manufacturing environment.

Salary negotiable but probably around £8,500 plus car. Re-location assistance.

Please send brief details – in confidence – to David Bennell ref. B.43600

This appointment is open to men and women.

MSL
United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

FINANCIAL CONTROLLER

New York **circa $35,000**

A recently formed British group, our client is engaged in the international development and marketing of systems and software products.

Reporting to the Director of Finance in the U.K., the successful candidate will have broad responsibilities and be closely involved with the provision and interpretation of management information and the financial investigation of acquisitions. Travelling regularly to a subsidiary company in Los Angeles, he/she will have an opportunity of contributing to the commercial development of the group.

Candidates will be qualified accountants probably aged 27-34 with experience in an industrial/commercial environment. They should have the ability to communicate effectively with management of other disciplines and be looking to join a small high growth group.

For further information and a personal history form please contact Nigel V. Smith, A.C.A. or Peter Dawson quoting reference 2566.

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

Banking Appointments Middle East

A major commercial bank based in the Gulf whose international network is growing rapidly is seeking to make the following Head Office appointments:

Assistant Manager – Loans **Up to 40,000 US Dollars**

An experienced senior Loan Executive is required capable of creating new business and expert in handling all aspects of international trade financing, multi-currency loans and guarantees, and relevant documentation from initiation to completion. **(Ref. 6430)**

Eurobond Dealer **Up to 35,000 US Dollars**

A Eurobond Dealer is required to join an existing team operating in the Eurobond primary and secondary markets. Candidates should have gained relevant experience with a leading financial institution, be capable of operating a secondary market Eurobond trading operation, and of assisting in primary Eurobond placement activities internationally. **(Ref. 6431)**

Both appointments carry good prospects. Benefits include free accommodation, a car, free medical care and 45 days holiday per year. Renewable contracts are for 2 years.

Applications in confidence under the appropriate reference to Gerald Brown.

mh **Mervyn Hughes Group**
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

Creative Head

for London Transport's
Group Marketing Department
Salary range
£8,410 p.a. to £9,290 p.a.

As part of its general reorganisation London Transport has established a Group Marketing Department to win new business and expand its markets. A key vacancy exists within this new Department in the Publicity Office for a senior assistant to take charge of the creative side producing posters, maps, timetables, books, leaflets and all kinds of informational and promotional printed material about London Transport and its bus and Underground services, to control a print-buying section spending well over £1 million per annum, and to oversee London Transport's account with its advertising agency.

Applicants will probably (though not necessarily) be graduates with an arts or literary qualification. They must be able to write literately and persuasively, and set and maintain high standards of innovative writing, design and presentation. Equally essential is high administrative ability, with the personality to control and motivate staff at a variety of levels, and to run a tightly-organised in-house creative team with clear lines of project responsibility and performance control.

This is a demanding senior post, and its status is reflected in the salary offered. The scope and variety of output makes this a unique chance to make a visible and lasting contribution in a field where London Transport has a long tradition of excellence.

FREE TRAVEL ON LONDON TRANSPORT SERVICES AT ALL TIMES AND VALUABLE CONCESSIONS ON BRITISH RAIL TRAVEL.

Please apply in writing (quoting ref no 397A) to Staff Appointments & Development Officer, 55 Broadway, London, SW1H 0BD, giving full personal and career details.

LONDON TRANSPORT

Foreign Exchange Dealer

Hill Samuel & Co. Limited have a vacancy for a Dealer in their early to middle twenties with at least two years' experience in spot and forward markets dealing with Corporate Clients in addition to interbank business.

The successful applicant will be responsible for one or more actively traded currencies. The position offers scope for early promotion. A competitive salary will be paid together with the usual range of substantial banking benefits.

Please telephone or write in confidence to:

Mr. P. G. S. Coulson
Senior Personnel Officer
Hill Samuel & Co. Limited
100, Wood Street
London EC2P 2AJ
Tel.: 01-628 8011

HS

LONDON REPRESENTATIVE FOR AN AMERICAN OIL COMPANY

Bunker Fuel Oil Negotiator required for London office of an American oil company.

Candidates will have several years' experience in the oil industry. The position will from time to time involve the incumbent in representing the company on a variety of aspects connected with the oil industry.

Applications, giving full career background, should be addressed to:

Box A.6873, Financial Times,
10, Cannon Street, EC4P 4BY.

SAVAGE & HEATH COMPANY LIMITED

The above Company
requires experienced brokers
to join their
Spot Dollar/Sterling section.

Please telephone or write to:

The Secretary,
Savage & Heath Company Limited,
Lee House, London Wall, London EC2Y 5AU.

01-606 0042

EUROBOND DEALER

required by leading market maker. Aged late 20s early 30s. Good experience of the secondary market. Position is London-based. Attractive salary plus substantial fringe benefits.

Write in complete confidence to Box A.6860, Financial Times, 10 Cannon Street, EC4P 4BY.

STOCKBROKING International Arbitrage

The increase in the volume of business we are transacting has created an opening for a professional Arbitrage Dealer to join our experienced desk team. The salary arrangements are flexible and negotiable for the right applicant. A working knowledge of French or German would be a help but is not essential. If you would like to apply, please write in the strictest confidence to:—

Christopher Bone
SANDELSON & CO. LTD.
85, London Wall, London EC2M 7AE

Director of Marketing

West London c £17,500 and car

Our client is an American multi national organisation involved in the manufacture and sales of transportation equipment worldwide.

They require a Director of Marketing to be responsible for the development and co-ordination of European marketing strategy and new business identification through their operations in Europe.

The successful candidate will be a graduate with a flair for European languages. It will be necessary to display proven sales and marketing experience in the U.K. and Europe within a relevant engineering environment.

A salary of around £17,500 is offered including an attractive remuneration package and generous relocation expenses where appropriate.

Applications are invited from men and women preferred age 35/50 accompanied by a curriculum vitae quoting reference **3324FT.**

Brian Saltzer

West One Selection
Recruitment Selection Consultants
61 Berners Street, London W1P 3AE 01-636 8791

Managing Director Designate

circa £15,000 p.a.

Our client is a major progressive mechanised foundry complex with a multi-million pound turnover who has an international reputation for producing high quality castings.

With the impending retirement of the Chief Executive, it is now necessary to appoint a successor – and hence responsibility will, in due course, be for the total management of this profitable and successful business.

Essential requirements will be technical expertise with experience as a production executive as well as commercial competance.

The company is located in a very pleasant part of the United Kingdom. Initial salary is negotiable circa £15,000 plus car.

Candidates, of either sex, please write for an application form to D. G. de Belder, Knight Wegenstein Limited, St. Christopher House, 217 Wellington Road South, Stockport, Cheshire, SK2 6LT. Tel.: 061-477 8585. Reference 68246.

Knight Wegenstein Limited
Executive Recruitment Consultants
Management Consultants and Consulting Engineers
London · Stockport (Greater Manchester) · Zurich
Dusseldorf · Madrid · Paris · Stockholm · Vienna · Chicago
Foundry Appointments – International

Hanson Trust Limited

require a

Financial Comptroller

for its subsidiary company Butterley Building Materials Limited. This is one of the largest brick manufacturers in the U.K. with a turnover currently in excess of £22m. The Financial Comptroller will be based in Derbyshire and will succeed the present Comptroller who has been promoted within the group. The successful applicant will be responsible to the Divisional Chief Executive for all aspects of financial control.

Hanson Trust is a company which has increased profits from £100,000 to £26m. over the past 14 years and is committed to a policy of continuing growth by acquisition and organic progress. The position therefore offers enomous scope for an ambitious and energetic accountant to make a major contribution to its future growth, both from the financial control aspect and by taking an increasing responsibility for general management.

The successful applicant will be a chartered accountant with around ten years' professional and commercial experience. The salary for this position will be around £12,000 p.a., and generous fringe benefits are available.

Applications should be made to:–

The Financial Director,
HANSON TRUST LIMITED,
180 Brompton Road,
London SW3 1HF.

INBUCON

Financial Comptroller

London Up to £10,000

Our client is a well-known, National organisation of charitable status who require a qualified Accountant to be responsible for all financial matters at Headquarters level.

The successful candidate, male or female, will be responsible for operating a comprehensive accounting system, embracing the whole of the Headquarters function. It will be necessary to provide financial and budgetary information enabling efficient operating decisions to be taken. The organisation relies upon its income both from self funding and from the finances of a trading subsidiary which is a leader in its field.

The principal location is Central London although some travel will be involved, particularly in Southern England. The job will entail close interaction with senior advisors from the banking, accounting and investment professions in the City.

Please write with full details of career and experience in confidence to W. M. Stern, quoting reference number 375L.

INBUCON MANAGEMENT CONSULTANTS LIMITED
Executive Selection,
Knightsbridge House, 197 Knightsbridge, London SW7 1RN.

Economist/Mathematician

Middle East - c.£18,000 tax free

A large European consortium in Saudi Arabia engaged on a major telecommunications contract urgently requires an engineering biased economist/mathematician.

With a Master's degree in an appropriate discipline, you will have had at least five years experience in computer-aided statistical analysis of economic data and consequent inter-relations, leading up to negotiations with contracting parties following detailed investigation. Your task will be to assist in determining the consortium's policy towards the client, based on studies of available data, high-level programming assistance being available.

This is initially an unaccompanied posting, but married accommodation could be available later. Excellent conditions include free housing, services and the provision of a car. Initially a one-year renewable contract, but there are long-term career possibilities.

The General Manager concerned wishes to interview candidates in London on Wednesday 22nd August, so please telephone Christopher Rodwell on 01-499 0342 for a preliminary discussion — our reference is 2394KS/FT.

Robert Lee International

24 BERKELEY SQUARE, LONDON W1X 5AR

Economist/ Econometrician

Our Economics Department is becoming increasingly involved in forecasting for corporate planning, etc. and we now have a vacancy for an Economist/Econometrician. Applicants should have a good University degree, and experience in the application of econometric techniques. The job will be located in Sheffield and the commencing remuneration would be within the range of £7,000 to £7,500 per annum.

The position offers the usual bank benefits.

Applications in writing giving qualifications and career details should be sent to:
N. V. Childs, Esq.,
Head Office Personnel Manager (Sheffield),
Midland Bank Limited,
Courtwood House,
Silver Street Head,
Sheffield S1 3RD.

Midland Bank

Reed Executive

The Country's most successful Recruitment Service

Financial Controller

Overseas Subsidiaries

Wimbledon — *C £12,500+ car*

This highly specialised and profitable Group provides a unique but essential service to the engineering industry worldwide. The position is newly created and effectively carries the responsibility for the accounting and finances of their new and established overseas interests. A great deal of your time will be spent in Europe, mainly Madrid and thus fluency in Spanish is essential, a knowledge of French would be advantageous. Probably aged in your 30's with a professional qualification, you will need to be fully conversant with the implications of a multi-currency operation and will have an opportunity to contribute significantly to the Group's growth.

Telephone: 01-836 1707 (24 hr service) quoting Ref: 0729/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London, WC2N 4EA.

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

Assistant Financial Controller

Central London — **to £15,000 + car**

Our client is an international market leader (T/O £70m) providing computer based systems and real-time information to the business community and the media worldwide. The successful candidate will report to the Financial Controller and in his absence deputise for him. The department numbers in excess of 80 staff. Applicants must have already held a position of responsibility in a line role and have proven man management experience. Because of the international complexities inherent in the role candidates (male/female) must be Chartered Accountants who have had several years' experience in a similar environment. They should be aged 30-35, preferably with a degree.
REF: 1133/FT. Apply to R. P. CARPENTER, FCA, FCMA, ACIS,
3 De Walden Court, 85 New Cavendish Street, London W1M 7RA.
Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

A major international group with an impressive profit record requires a:—

PROJECT FINANCIAL CONTROLLER

This is an exceptional opportunity for an experienced senior financial executive of PROVEN ability, which ideally would include a knowledge of M.O.D. contract requirement. The prime responsibility is for the provision of the day to day financial, commercial and cost management expertise to achieve the costed targets of this large project currently being progressed in the Middle East. A certain amount of travel is required from a London base together with a high level of professional ability in an international environment.

The career prospects within this large group are good with a remuneration package generous enough to attract an experienced and ambitious executive.

London — **Age under 40** — **Salary £13,000**

Our client wishes to make an early appointment, candidates should therefore make initial contact by phone quoting HS.

Robin R Whalley
INTERNATIONAL APPOINTMENTS (LONDON) LTD
(Executive Recruitment Consultants) Cable: Interappt, London SW1
Greener House, 66/68 Haymarket, London SW1Y 4RH Telephone: 01-839 1602/4, 01-839 2851

BANKING OPPORTUNITY

An international Bank, based in London, offers an exceptional career opportunity to a person of matching ability in the dual role of Chief Commercial Banking Officer—Europe and Deputy Chief Credit Officer. Responsibilities in the first role include development of an aggressive marketing plan to build a quality corporate and country loan portfolio in Europe and supervision of a team of bankers. A broad range of credit and marketing experience on location in several European countries for a major bank is essential. German and Italian an advantage. The second role demands an individual with comprehensive country and corporate worldwide experience to monitor the existing loan portfolio and assist in setting and maintaining appropriate credit policies to achieve new loan growth. Previous experience in credit/control/auditing with a major bank essential. Salary circa £22,000 with usual fringe benefits.

If you have a minimum of 10 years banking experience, an economics degree and think you can handle this position, please write in strictest confidence enclosing curriculum vitae, to: Box A.6871, Financial Times, 10 Cannon Street, EC4P 4BY.

ACCOUNTANTS IN BANKING

A major North American bank is seeking a qualified Accountant around 30 years of age with several years' experience, preferably in a banking environment, to be responsible for total accounting function. Position carries Assistant Manager status. Career advancement after two to three years to Corporate Finance envisaged.

Salary circa £11,000

An American bank requires a recently qualified Accountant with experience of bank auditing to join a small team in the financial control department.

Salary circa £7,500

These vacancies are open to male and female applicants

BSB Banking Appointments

115-117 Cannon Street, London EC4N 5AX Telephone 01-623 7317 & 01-623 9161

FINANCIAL MANAGER TAX FREE—KUWAIT

Our client is a successful international construction organisation and wishes to appoint a qualified accountant, to be responsible for both Head Office and Site accountancy functions, as well as all management back-up information systems. Revision of the existing manual systems for future computerisation is envisaged also.

The successful candidate, aged 30+, will have spent considerable time in both a professional and contracting/consulting environment. Preference will be given to candidates with overseas experience.

Benefits offered include free furnished, air conditioned, *married accommodation + company car + medicare* + generous UK leave + airfares. A high tax free salary, commensurate with experience and potential will be offered.

In the first instance, please contact J. Farrington, B.Sc.

MALLA MANAGEMENT CONSULTANTS LTD.
1 DEVONSHIRE STREET, LONDON W1N 1FX
Tel: 01-636 5991

FACTORING

Client Account Manager

We are an expanding international organisation servicing clients in the UK, Europe and North America. Market leaders in the fast-growing UK factoring industry, our continued growth means we now need an additional Client Account Manager.

The members of our Client Relations team are responsible not only for maintaining successful relationships with clients but also for monitoring the profitability, security and effectiveness of our service. Working for a wide variety of companies involves considerable challenge and responsibility. It calls for sound business sense and the ability to deal with people at all levels.

Candidates, men or women aged 28+, should have several years' successful experience of factoring or a related activity such as invoice discounting, credit insurance, or corporate finance/banking. A professional qualification would be an advantage, and a high standard of literacy and numeracy is essential.

We offer an attractive starting salary, a company car and a generous range of benefits commensurate with our position as members of a major banking group.

Applications, giving brief details of career to date, will be treated in strict confidence and should be addressed to:-

L. M. Bland, Director,
Credit Factoring International Limited,
Smith House, P.O. Box 50, Elmwood Avenue,
Feltham, Middlesex, TW13 7QD.

A member of the National Westminster Bank Group

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CLERICAL ASSISTANT TO LOAN MANAGERS—Opening for Graduate Econs. or Law, perhaps banking experience useful not essential. Age around 22.

Salary negotiable at generous level.

Reply with full c.v. A.J.B.,
29-30 Cornhill, London, E.C.3.

CITY OFFICE OPEN TILL 6 PM DAILY
AND THURSDAYS TILL 7 PM
WEST END OFFICE LATE OPENING THURSDAYS TILL 8 PM

ACCOUNTANT

£9,000 — **CITY**

Our client, a newly formed firm of Lloyds Brokers are seeking to recruit a qualified Chartered Accountant. The successful candidate will report to the Managing Director and be responsible for the total accountancy function on a recently introduced computerised system. Please telephone quoting ref. FT 0585.

DUNLOP & BADENOCH (Agy)
31 Percy Street, W1 01-323 0886
25 Lime Street, EC3 01-623 3544

db

APPOINTMENTS ADVERTISING
is continued today on the following page

FINANCIAL ACCOUNTANT

London WC2 — **Circa £11,000**

Our client is a subsidiary of a large US corporation which over recent years has established an impressive growth record.

The company now seeks to recruit a financial accountant to control the preparation of financial accounts and oversee the day to day running of a small accounts department. He/She will liaise closely with overseas operations ensuring their compliance with local statutory requirements.

Candidates will be qualified accountants probably aged 28-35 and, whilst ideally with commercial/industrial experience, those currently in practice will be carefully considered. Previous exposure to computer based systems is important, and a knowledge of, or interest in, corporate taxation would be a definite advantage.

For detailed information together with a personal history form, please contact Peter Dawson or Robin F Taylor B.A., C.A., quoting reference 2568.

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel. 041 226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel. 031-225 7744

DLA

Accountant

Central London — **£8,500+Car**

Letraset International has a high growth record with interests now extending from graphic and commercial arts products to rare stamps, coins, maps and other collectors' items.

The rapid development of the group has highlighted the essential contribution of the financial analysis function to the continued success of the business. To strengthen the function further, we are now seeking a young professional to take responsibility for the production of the group balance sheet and profit and loss statements, together with the reconciliation of management reports with cash flow forecasts and financial accounts. The successful applicant will also be expected to further develop this role to incorporate the critical analysis of financial data, results and trends.

Candidates should be qualified accountants, ideally with experience in an international vertically integrated company.

Preferred age range 24-30.

Please send comprehensive career details to:

Letraset — The Personnel Manager,
Letraset International Limited, 7 Apple Tree Yard,
London SW1Y 6LD.

BRANCH MANAGER — FINANCE

Age 25-40 — **Basic Salary to £8,000 + Benefits**

A major Finance House requires a Branch Manager for its Croydon Office. Applicants will have a sound track record in Consumer and Industrial Finance and be able to demonstrate good management skills. Previous experience within the area is desirable but not essential. A challenging opportunity offering good prospects and attractive benefits including company car.

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Leading Financial Institutions require experienced Consumer and/or Industrial Representatives and specialist Leasing Executives for opportunities located throughout the U.K. These are progressive positions offering excellent career development prospects and an attractive range of fringe benefits including company car.

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Barbados

Excellent salary, car and fringe benefits

- A prestigious and substantial hotel/apartment complex in Barbados wishes to recruit a young, ambitious qualified accountant to act as Financial Controller for its expanding and profitable operations.
- The successful applicant will probably be aged between 25-35, either single or married, have a pleasant outward going personality, with the ability to liaise at all levels. Experience of the hotel industry either in the profession or in commerce would be a major advantage.
- The total benefits package is extremely attractive and is for a two year contract representing an exceptional opportunity to work in a friendly but challenging business environment.

Please write or telephone, quoting ref. 952, to S.W.J. Adamson F.C.A. or R.A. Merrin A.C.A., Grosvenor Stewart Limited, *15 Tilehouse Street, Hitchin, Herts. Tel: (0462) 55303 (24 hour answering).*

GROSVENOR STEWART
Executive Search and Selection

YOUNG ACCOUNTANT

CITY — **Package up to £11,000 inc. car**

Our client, a dynamic and diverse financial and industrial group with overseas interests, wishes to recruit a recently qualified accountant to join their small head office team. The successful applicant will gain experience in a wide variety of routine and ad hoc duties working with computerised accounting systems. Travel to the subsidiaries in the U.K. and occasionally to Europe is necessary but will be for short periods only. Applications are invited from qualified accountants, aged 27-32, preferably with some commercial experience of computer-based systems and ideally with a knowledge of corporate taxation.

In addition to salary and car the package includes substantial mortgage allowance, free executive lunches, BUPA and non-contributory pension scheme. Assistance with relocation expenses will be provided where appropriate.

Applications to R. J. Welsh

Reginald Welsh & Partners Limited.
Accountancy & Executive Recruitment Consultants
123/4 Newgate Street, London EC1A 7AA Tel: 01-600 8387

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* The successful candidate will:–
  * Have Audit experience at Audit Supervisor level or above, preferably in an engineering environment.
  * Be proficient in written and spoken German or French.
  * Preferably be familiar with US/European accounting procedures.
  * Be prepared to travel widely throughout Europe.
* Additional to salary, a comprehensive benefits programme in line with major international employment is provided and relocation expenses to near the UK Base will be paid where required.
* For an application form, please contact Linda Hayward, Recruitment Secretary, on Windsor (07535) 67175 (24 hrs) Quoting Ref. FC/305/3

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Please telephone Mike Pope or Sheila Anketell-Jones 236 0731
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Must be Bank of England approved.
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East Malaysia—Saba
Youngish man, ex civil servant, bilingual in English and Chinese, seeks responsible employment at home or abroad. Excellent references. Available for interview in Kota Kinabalu.
Replies to Tan, P.O. Box 1429, Kota Kinabalu.

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Credit Analyst c.£9,000 + perks, with 7 years' experience required by rapidly expanding international bank based in the City.

Credit Analyst c.£5,800/£6,500 + bonus + additional perks, with 3 years' experience, preferably with U.S. Formal Bank Credit Training, for leading international bank. Age mid-twenties.

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VPN EMPLOYMENT
01-283 6022

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Lawyer with first class training required to join small rapidly expanding law firm in Caribbean tax haven. No island paradise yet, but with great possibilities. Mainly corporate and commercial work, some civil litigation. Partnership prospects excellent, attractive salary. Write in first instance, with full details of education, career and interests to:

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£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on the 14th August 1979

Job Title	Salary	Location	Advertiser
Young Qualified Accountant	£8,000	Crawley, Sussex	Mallory Batteries
Accountants	$22,000	Bermuda	IPS Group
Senior Business Analyst	To £9,000	Bucks	Rutter Allautt
Accountant	£8,000 + car	Elstree, Herts	Harry Stranger
Partnership Accountant	£8,000 + benefits	London, WC2	Weatherall Green & Smith
Group Accountant Investment Bank	£7,000	—	Box No. 6870
Chief Accountant for Bullion Dealers	£9,000 + benefits	City of London	Box No. 6867
Accountant	—	London, NW8	Thacker Motor Group Ltd.
2 Trainee Accountants	£4,000-£7,000	London, W1	Letterstream Ltd.
Young Accountant	£7,000-£8,500	London, E13	Horwood Catering Equipment
Qualified or part Qualified Accountants	£6,000-£9,000	City of London	LJC Banking Appointments

For the full text of the advertisement, please see the Financial Times of that date or telephone Sally Stanley on 01-248 5597

COMPANY NOTICES

OLYMPUS OPTICAL COMPANY, LTD.
(Olympus Kogaku Kogyo Kabushiki Kaisha)

S. G. WARBURG & CO. LTD., as Depositary, announce that a dividend of Yen 3.75 per Common Share of Yen 50 has been paid to shareholders on the books of the above Company as at 30th April, 1979, in respect of *the six months period ended on that date.* As a result the Depositary Shares are entitled to a dividend of Yen 75 which converted at the Exchange Rate ruling on 6th August, 1979, of Yen 218.30 = U.S.$1—produces U.S.$0.343584 per Depositary Share.

After adding the fractional amount brought forward from the last dividend, in accordance with paragraph 12 of the Bearer Depositary Receipt, coupons will be paid at the following rates per Depositary Share:-
Under deduction of 15% Japanese Withholding Tax = U.S.$0.29
Under deduction of 20% Japanese Withholding Tax = U.S.$0.28
A fractional amount of U.S.$0.008942 per Depositary Share is withheld and will be added to the next dividend when paid.

Holders of Bearer Depositary Receipts may present for payment Coupon No. 26 which becomes payable on 16th August, 1979, to S. G. Warburg & Co. Ltd., Coupon Department, St. Albans House, Goldsmith Street, London, EC2P 2DL, or at the offices of any of the undermentioned Sub-Depositaries subject to deduction of Japanese Withholding Tax and Income Tax (if any) at the appropriate rates. Details of tax deductions may be obtained from the Depositary or Sub-Depositary.

SUB-DEPOSITARIES

The Bank of Tokyo, Ltd.,	Brussels, Belgium
The Bank of Tokyo, Ltd.,	Dusseldorf, Germany
The Bank of Tokyo, Ltd.,	Paris, France
The Bank of Tokyo Trust Company,	New York, U.S.A.
Algemene Bank Nederland N.V.,	Amsterdam, Netherlands
Banque Generale du Luxembourg S.A.,	Luxembourg

S. G. WARBURG & CO. LTD., as Depositary.

30, Gresham Street, London, EC2P 2EB.
16th August, 1979.

EUROPEAN FERRIES LIMITED (CDRs)
The undersigned announces that as from August 20th 1979 at Kas-Associatie N.V., Spuistraat 172, Amsterdam, div. cp. no. 3 of the CDRs European Ferries Limited, each repr. 100 shs., will be payable with Dfls. 8.87 (re final dividend for the year 1978) 2.9552p per share.
Tax credit £-.9752 = Dfls. 4.37 per CDR.
Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility.
Dividend coupon no. 2 will be nil and void.
AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam. August 6th, 1979.

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U.S.$50,000,000 FLOATING RATE SERIAL NOTES DUE 1991
In accordance with the provisions of the Agency Agreement between SONATRACH and Citibank, N.A. dated 15th February, 1979, notice is hereby given that the Rate of Interest has been fixed at 12⁹⁄₁₆% and the Coupon Amount payable 15th February, 1980 against Coupon No. 2 will be U.S.$642.08 and that such amount has been computed on the actual number of days elapsed (184) divided by 360.
By: CITIBANK, N.A., LONDON
Agent Bank
16th August, 1979.

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Our client is a major group specialising in the manufacture of high quality jeans and sportswear under a famous brand name. The products have proven success records and are already brand leaders in several countries in the world.

The client is seeking a well-organised, marketing-orientated UK company with ample experience and brand concepts in distributing consumer goods (preferably jeans or sporting garments) as their exclusive distributor in the United Kingdom. This is an excellent opportunity for firms which wish greatly to increase their turnover or to diversify into this field. It is projected that the turnover in the first year of operation will exceed £3 million.

Interested parties are requested to give full particulars of their marketing experience, financial capacity and any other relevant details to substantiate their eligibility to:
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LONDON SE1 9SY
quoting reference MCS/3777

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Ashley House, 30 Ashley Road, Altrincham, Cheshire WA14 2DW.

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THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

Call for 'commercials on BBC'

BY MICHAEL THOMPSON-NOEL

WITH INDEPENDENT Television still blacked out by industrial action, this may seem a fine time to be wondering about the fate of the fourth TV channel, but a great many advertisers, and many of their agencies, are alive to the fact that time is running short if effective lobbying is to give them what they want: a totally *independent second commercial* channel.

But there is another option, suggested this week by the D'Arcy-MacManus and Masius agency, that has received virtually no serious study, and that is the notion that BBC Television accepts commercials.

In a document circulated to its clients, the agency says that its soundings of the powers-that-be who are deliberating the future of commercial television lead it to believe that "advertisers and their agencies are going to be asked to attend a wedding between complacency and inertia. Additionally, it looks as though we might be forced into paying for the dowry."

The agency says that its views on the future of British commercial television are based on the following beliefs: that TV quality must be maintained; that competition in advertising sales must be introduced, and that any new commercial channel must stand a good chance of succeeding without destroying the finances of existing channels.

"We have got the best TV in the world," says Masius, "though it is felt that the BBC's financial shortages and ITV's monopolistic complacency may have led to recent deterioration. . . . Advertisers deeply resent the monopolistic hold ITV has on commercial TV. Hence, post-Annan, they opted for the OBA. We must not now miss the real chance to introduce effective competition within commercial airtime."

The manner in which advertisements could be introduced on BBC would need a lot of thought, says Masius. For example: "If BBC1 and 2 took advertising on the same basis as ITV (average *six minutes per* hour of broadcasting, maximum seven) it would probably capture 50-55 per cent of advertising revenue—in line with its total audience share. This, even with levy adjustment, would bankrupt ITV. A *formula* would have to be devised limiting airtime availability on BBC in such a way as to protect ITV, but ensuring that the supply of airtime always exceeded demand."

The agency lists a number of advantages and disadvantages. In favour of running ads on BBC Television is the obvious *fact that setting-up costs* would be minimal. "All that is really needed is an advertising sales organisation and an airtime negotiating committee." This committee, says Masius, would represent the four parties involved: the BBC, IBA, ISBA (advertisers) and IPA (agencies).

It would also produce real competition for ITV, permit a reduction in the BBC licence fee, and ease the BBC's financial difficulties.

The objections, says the agency, are that the BBC itself is not in favour of the idea, despite its ventures into commercialism via its joint programme ventures with Time-Life and the advertising revenues of Radio Times and The Listener. In addition, the idea appears politically unacceptable at present.

As for the fourth channel, the agency says that ITV1 and ITV2 should each achieve a similar programme balance; aim for an equal share of the total ITV audience; be served by the same number of contractors, operating competitively, and be organised on a regional basis.

● NIGEL GRANDFIELD, formerly chairman at McCann-Erickson, has formed a *new* agency, Grandfield Rork Collins & Partners, that will trade from September 1. His partners are Andy Rork, who left McCann's to join Geers Gross as joint managing director and creative director last January, and Graeme Collins, until recently managing director of Harrison McCann.

● TYRESERVICES Great Britain has awarded its £500,000 account to Stewart & Granger, *Birmingham*. *Tyreservices*, part of Goodyear, runs 200 retail outlets.

● OGILVY'S recently formed subsidiary, Ogilvy & Mather Direct Response, is to handle all advertising and promotion for Blue Chip Direct Marketing. A catalogue is planned for 1980. Mail testings this autumn will concentrate on multinational branded consumer goods.

DIRECT SELLING IN THE U.S.

The sniper versus shotgun

BY DAVID LASCELLES IN NEW YORK

THE TINY town of Elm City, North Carolina, boasts a mere *1,500 souls. But its postal business* is one of the largest in the country. The reason is that Elm City is the home of the Carol Wright Organisation, the largest direct mail marketing business in the U.S. and therefore, presumably, the world. Each year, the company's high-speed coupon-sorting, envelope-stuffing, addressing and franking machines churn out 150m pieces of mail—one for every adult in the country.

This avalanche is divided into six or seven separate mailings a year. Each takes about seven weeks to complete, leaving the company a few days to get its breath back and crank up for the next. A recent batch went off to a record 38m people, requiring no fewer than 160 juggernauts to haul it off the premises.

In fact, the Carol Wright operation is so large that the U.S. postal service has its own personnel permanently on site in Elm City to cope with it.

Carol Wright (the name belongs to a mythical all-American housewife depicted on the envelope) specialises in *mailing out redeemable* coupons: the type that offer you 25 cents off your next purchase of coffee, dog food or floor cleaner.

Each mailing consists of a "co-operative" envelope containing about two dozen such coupons supplied by advertisers, and it goes out to *selected* addresses in the 276 main conurbations or market centres in the U.S. which account for about 75 per cent of the total U.S. market. The addresses themselves are culled from a massive computerised list based on the country's telephone directories, car registration records and census reports. Carol Wright's parent company, *Dun and* Bradstreet, the New York-based information and communications concern, is one of IBM's largest customers.

After years of refinement, Carol Wright reckons it has those 276 market centres identified down to the nearest 250-family block. And for customers who want a special mailing aimed at, say, large families in the $20,000 to $30,000-a-year *income group with two cars*, it can oblige with little more than a punch on a computer key.

To build up this vast bank of information, Carol Wright has a special arrangement with TGI, the market research organisation *which produces the most* detailed breakdowns of the U.S. market available anywhere.

Despite its size, though, Carol Wright is only one small part of the huge redeemable coupon market. By some estimates there are currently about 80bn coupons outstanding with a face value of over $30bn, more than double the volume as recently as 1975.

According to Mr. Jack Scollay, senior vice-president at J. Walter Thompson, direct mail

accounts for about 3 per cent of all coupons outstanding (by far the majority of coupons come as clip-outs from the printed media).

Direct mail coupons are reckoned to rank number two in effectiveness after coupons on or in the product itself gauged *by* the proportion of coupons actually redeemed.

According to A. C. Nielsen, the average redemption rate on mailed coupons is 10.2 per cent in a range stretching from 7.4 per cent to 14.6 per cent, *depending on product and other* variable factors. Other studies have shown that over 90 per cent of recipients of direct mail remember opening the envelope and therefore, presumably, registering the contents.

Mr. Brian E. Girard, vice-president of Donnelley Marketing, which runs the Carol Wright operation, attributes much of the effectiveness of coupons to the disappearance of the social stigma that was once attached to them. "People are not afraid to use them in the supermarket any more," he says. (According to Nielsen, 77 per cent of U.S. households use coupons.)

He also *says* that the greatest users of coupons are not, as one might expect, the poor, but the middle income groups. "We aim our mail at the higher income groups because they have greater discretionary *spending, and are more willing* to try out new products."

Not surprisingly, the biggest users of direct mail are the consumer product giants, like General Foods, and Procter and Gamble. General Foods says that coupons have proved an effective way to promote a brand, both new and established, and it believes that the use of coupons is on the rise.

Procter and Gamble recently used one of the biggest single direct mail campaigns yet, to boost its Crystal Grain Folgers Coffee. Like many mail shots, it ran in tandem with a TV campaign, and was intended to reinforce the message of the silver screen.

Direct mail has its problems, though. One of the biggest is cost. Participation in a Carol Wright *mailing* can cost $10-$13 per thousand people reached, compared to an average $2 on TV. And that is only the beginning. *The advertiser must then* bear the cost of the redemptions, and the more successful *his campaign, the greater the* pay-out.

On top of the coupons, he also pays the retailer 5 cents for every coupon he accepts. This is to encourage supermarkets and other outlets to honour the coupons and *stock* up on the goods being promoted. For a supermarket operating on wafer-thin margins, the income on redemption of, say, 1,000 coupons, works out at $50 for little extra work.

The coupons themselves have to carry a value that the public will think worthwhile redeeming. In cash terms, the minimum is considered to be 15 cents. But 25 cents is a lot better. *In* proportional terms, the coupon should offer at least 15 per cent off the shelf value. Again, the advertiser looking for the biggest returns should be prepared to spend the biggest sums of money and there *is no guarantee that a person* redeeming a coupon is a new or permanent convert.

Tactics can become very subtle when advertisers want the glamour and market penetration of a mailing without high redemption expenses. In these cases, the coupon would be given a low value to discourage redemption. However, such cases are said to be rare.

As it is, the market for those who make a living out of direct mail is not very large. Mr. Girard estimates that there are only 60 brands in the U.S. that can afford a mailing once a year and many of them are not "conquest" brands, out to expand their market share.

Postage represents the biggest chunk of the outlay. Carol *Wright sends its mail third class* at 6.9 cents a go compared to 15 cents for first class mail. But to get it out this cheap it has to frank, pre-sort by area code, and deliver the mail to the U.S. postal service. The cost to an *advertiser of a typical mailing* to 20m people would work out as follows, according to Mr. Girard:

At a cost of $10 per thousand, the mailing itself would total $200,000. On top of that, there would be printing fees of about $4 per thousand, or $80,000. Assuming that the coupons were worth 50 cents, and 20 per cent were redeemed, that would cost a further $2m. Finally there *would be the 5 cents per coupon* for the retailer, or $200,000. Including other incidental expenses, there would be little change out of $2.5m.

However, the cost of direct *mail* is to a large degree offset by the possibilities it offers for very accurate market penetration. As Mr. Scollay says: "It's the sniper versus the shotgun."

NEW PRODUCTS

Glorious flight for posterity

To launch a new brand of Scotch demands ingenuity and hoop-la, such as parachuting fresh grouse into the moat of Leeds Castle.
IAIN MURRAY describes a novel new product launch

THE LAUNCH of a new Scotch whisky called Glorious 12th and modestly dubbed the finest blend in the world, places special demands on the ingenuity of its promoters.

But last Monday, the Glorious 13th, it being forbidden by law to open the grouse season on a Sunday, the Board of John Buckmaster and Sons rose splendidly to the challenge, piling one extravagance upon another.

Heedless of the era of austerity that is said to be dawning, a party of 90 hoteliers, caterers, wine and spirit merchants and journalists, some with nasal capillaries grown luminous in the service of Scotch, was whisked by air-conditioned executive coach to "the loveliest castle in the world," Leeds Castle in Kent.

Fortified *on the journey* by Wiltinger Scharzberg Halbtrocken 1977, the guests arrived at the 12th century monument in an amicable frame of mind and, without delay, began simultaneously to imbibe history and champagne. Some trod reverently through the very room where Arab and Israeli peace *talks* were held amid the utmost secrecy last year. Those with a feeling for our island heritage were deeply impressed to be standing in a place that had not only felt the tread of Henry VIII but also Cyrus Vance.

The whirring of helicopter blades outside signalled the next of the evening's diversions. Several small packages were dropped by parachute, each landing with a splash in the medieval moat.

These were samples of the first grouse of the season, shot that morning in Scotland and now making a last posthumous flight for the entertainment of the whisky trade and its friends. To excited shrieks from the onlookers, the birds were dragged ashore by Labrador dogs, thus achieving the unusual distinction of being retrieved twice in one day.

Dinner began with grace specially composed for the occasion by the Rev. Canon *Edwyn Young, chaplain to the* Worshipful Company of Distillers and the Raymond Revuebar, in which he thanked in verse John Buckmaster Ltd. and the Almighty for giving us a new whisky and a nice meal.

Unfortunately, grouse are not very plentiful this season, and John Buckmaster was unable to feed the multitude with the supplies available.

Instead, we had to make do with roast baron of Kentish beef washed down with Chateau Lafite 1948. While the Bolivar cigars were being lit, the guest of honour, Lord Mancroft, spoke with *feeling* about "this distinguished occasion.." He warmly thanked his hosts for their "princely and most spectacular hospitality" before turning to the task of raffling the grouse rescued earlier from the moat, each lucky winner stepping eagerly forward to receive a limp and bedraggled *bundle of feathers*.

The climax of the evening was the arrival of the Glorious 12th Fine Old Blended Scotch Whisky, piped in by Sergeant Ian Rodgers of the Scots Guards, wearing full regalia and followed by Mr. Brian Barnett somewhat curiously attired in a huge tartan kilt.

Mr. Barnett, who is now managing director of John Buckmaster, circumnavigated *the diners with an extravagant* gait, twirling two bottles of Glorious 12th.

It was undoubtedly a lavish and expensive affair; but Glorious 12th is a lavish and expensive drink. At a recommended retail price of £9.25, it has to be something special, and, according to the chairman of John Buckmaster, Mr. Michael Buxton, it is.

Mr. Buxton says that the company was *formed in the* early 1960s (no-one seems to known anything about the eponymous Mr. Buckmaster or his sons) when its founders felt that quality standards were declining in the Scotch whisky industry.

"It had become a commodity market," says Mr. Buxton. "Quantity and profit were the order of the day, and seemingly any indifferent product needed *only to* be stored for 12 years and bottled with '12 years old' on the label to sell. For lovers of Scotch whisky at its best, this was not, and is not, good enough.

"John Buckmaster therefore was founded to dedicate itself to reversing this trend. Its aim was to produce a blended Scotch whisky whose quality would not be decided by cost but whose sole objective would be to produce the best whisky in the world.

"Glorious 12th was the brand name selected to identify this product and the name is protected throughout the world. Over the years, stocks of the finest quality fillings have been acquired and blending and bottling facilities negotiated with the old-established firm of Robertson and Baxter, themselves probably the biggest stockholders of top quality whisky fillings."

Mr. Buxton adds, with a touch of understatement, that the operation has taken somewhat longer than anticipated and cost rather more than originally budgeted. "But we believe the result is well worth while. We are now able to offer the world limited quantities of Glorious 12th."

Will the world rush to buy? There are altogether some 2,000 *brands of Scotch whisky, though* perhaps only 200 are generally available, and of those about half a dozen have the lion's share of the home market. At more than £9 a bottle, Glorious 12th certainly has a deluxe price, and enthusiasts of Scotch will perhaps be surprised that the label does not say how old the blend is.

The brand name, however, is strong, and has claims to be a royal coinage. Apparently, Edward VII so looked forward to the start of the grouse season that he dubbed the day the Glorious 12th.

No doubt John Buckmaster *hopes that the blend will have* satisfactory home sales, but its export strength of 75 degrees proof is a clear indication that the brand is aimed at the hugely profitable Japanese and American market.

Strangely, representatives from neither country were there to observe the proceedings at Leeds Castle the other night.

LOMBARD

A proven route to synfuels

BY DAVID FISHLOCK

IN THIS column last month my colleague Anatole Kaletsky argued that now was the time for Britain to be buying more coal from abroad, while it was still going cheap. I would go further. If Britain seriously believes its own coal might be used to make transport fuels and chemical feedstocks it should — in the wake of Nigeria's nationalisation of part of Britain's oil industry — seriously consider investing in South Africa's "synfuels" technology.

South Africa is the only country in the world with commercial experience of making oil from coal. President Carter wants to spend $88bn — more than three times the cost of landing man on the moon—on a synthetic fuels programme. Yet no U.S. company has a commercial process at present. One of many processes the U.S. Department of Energy has been considering is Sasol, the South African process—the one known to work.

Enthusiasm

South Africa is a natural laboratory for synfuels, one of two big new energy industries —the other is nuclear—generally expected to supplant natural oil and gas. The country has thick seams of coal, fairly easily mined, yet not so clean as to be unrepresentative of coals elsewhere. Still more important, it has a pressing need to perfect synfuels technology both for transport fuel—70 per cent of its oil use—and for chemical industry feedstocks.

South Africa's enthusiasm for synfuels was kindled by research done by its scientists at Imperial College in London in the 1920s. In the 1930s its mining industry licensed German technology, which later produced oil from coal for the beleaguered German army. South Africa itself began planning its first oil-from-coal plant in 1951, under the aegis of Sasol, the state-owned South African Coal, Oil and Gas Corporation.

Sasol first manufactured oil in 1955. But henceforth it didn't prove easy. As its former chairman, Dr. P. E. Rousseau, "father" of the technology, has said: "For a period of five years we had more trouble on the plant than any other undertaking I have ever heard of."

The pressures, temperatures and intrinsically very explosive properties of coal dusts and vapours bring all the dangers of deep coalmining right to the surface. To quote Dr. Rousseau again, shortly after an explosion had killed seven of his workers, "we turned the wild beast into a purring cat which still scratches now and again when it is not circumspectly handled."

From the mid-1950s until 1973, while world oil remained constant in price, it was difficult for Sasol to persuade its government to invest in more capacity. Instead it advised the stockpiling of oil, in spent coalmines sealed by water. This has proved to be a remarkably astute investment.

But its scientists continued to develop the old German technology, discovering more efficient catalysts and better ways of handling the complex chemistry. It built up the most experienced team of technologists in Synfuels to be found anywhere in the world. What is more, they had feedback from the market, for every petrol station in South Africa, by government order, stocks Sasol petrol.

Today Sasol is installing oil-from-coal capacity planned to provide nearly half of South Africa's needs for transport fuels in the early 1980s. The technology, though basically the German Fischer-Tropsch process and primitive in the eyes of some U.S. chemists, has come a long way.

Oil prices

Sasol is coy about costs of production. The chemical industry in South Africa, also deeply embroiled in the conversion of coal, believes it may be three times the present world price. Yet this may not be so expensive when one thinks of what South Africa must be paying for the few small spot purchases it manages to make: and when one considers that oil prices are likely to continue to rise.

Britain has done some very innovative science in the field of synfuels, involving British Petroleum as well as the state-owned gas and coal industries. Neither pride nor prejudice should now prevent it from buying the experience of a nation which has learned how to make one process work.

Stormy voyage for the Borag's owners

JAMES ONEDIN was a sailor before he became a shipowner and his sister, Lady Elizabeth, though not a sailor, was quite capable of managing her Fraser shipping line. Even so, they ran into quite a lot of trouble, enough for the BBC 1 series to continue for another year.

Still more adventures are in store for owners of ships who are neither sailors nor have the expertise necessary to manage them and have to employ management companies in much the same way as wealthy investors without financial expertise employ portfolio managers.

The relationship between shipowners (or investors) and their managers may stretch over frontiers and over the seas, and even if governed by English law, may be influenced by the different legal concepts used by foreign parties and their lawyers.

Relationship

This delicate relationship between shipowners and their managers, and the question of how far managers can go to enforce their own claims against owners, came under scrutiny* recently before Mr. Justice Mustill in the High Court in London. But the events which provided an occasion for a study of the effects a foreign legal ambience has on the English law of trust were by no means delicate. On the contrary, it appears that the owners of the tanker "Borag," the Hamoor Tanker Corporation, a subsidiary of Gulf Fisheries, received some very rough treatment from the Compania Financiera "Soleada" which they appointed to act as manager of the vessel.

The agreement was concluded in 1969 and for two years everything went smoothly. It became an established practice that the owners paid to the managers an advance of $55,000 on the fifth day of each month and settled any balance of their monthly expenses on receipt of a statement with supporting documents. The trouble started in October, 1971, when the tanker entered dry dock at Cadiz and the managers requested an immediate transfer of $307,000 without providing any evidence. The owners remitted only $150,000 and delayed the usual monthly advance. On December 14 the managers asked for an immediate remittance of the December advance plus $82,000 of additional expenses incurred in November. The owners asked for the usual verification of these additional expenses, but on the following day the managers demanded an immediate payment of $200,000 threatening that if the money did not reach them the next day they would tell the crew that they had no funds to pay their wages. The owners insisted on verification except for the December advance which they instructed their bank to remit immediately.

While these telex exchanges were going on between the owners and their managers the tanker left the dry dock and sailed for Dakar with Mr. Van Brakel, an employee of the managers, on board. On December 14 or 15, that is before the requested money could even reach the manager's account, Mr. Van Brakel was instructed by his employers to try to get the tanker into South

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

African territorial waters at Cape Town. To achieve this he told the Master of the tanker that he and his crew were from now on in the service of, and working for the managers—which, of course, was not true. The Master was suspicious and asked the managers to confirm this statement, but received no reply. In the absence of a denial he obeyed the order of Mr. Van Brakel to anchor at Cape Town on the morning of Friday, December 17, and not to give any radio or other message which could bring this manoeuvre to the notice of the owners. As soon as the vessel arrived at Cape Town it was arrested on the orders of the managers for the recovery of sums which they claimed to be due to them from the owners.

It took another 13 days before the owners and their managers came to an agreement under which the owners provided a bank guarantee to secure the release of the vessel. The amount actually due to the managers remained under dispute. This was settled by London arbitration. In addition, the owners were awarded $60,000 out of the $165,000 they claimed for the wrongful arrest of the ship.

This part of the dispute, concerning damages for arrest of the ship by its managers, was stated by the umpire to be a special case for the High Court. There were two questions at issue. First, were the managers entitled to arrest the ship and, if they were not, were they consequently liable for the owners' loss? The second question was whether their liability would be for complete restitution or only for compensation of reasonable and foreseeable expenditure incurred by the owners in their efforts to mitigate the loss (by providing the bank guarantee) in addition, of course, to actual loss suffered by the detention of the ship.

A crucial clause of the management agreement provided that the managers should perform their task "as a confidential manager with the same zeal, application and energy as if the vessel were his own property belonging to his own fleet" and to watch over the owners' interests as a *bon père de famille*. The contract was drafted in French and the term *bon père de famille* was subject to some discussion prior to signature of the contract. It was translated as "a dedicated father of a family" and said to be very similar to the common law concept of trust. The managers said they would be acting as trustees on behalf of the owners but declined to include this statement in the agreement on the grounds that it was superfluous.

Though both parties agreed that these discussions which preceded the signing of the agreement should be a basis for its interpretation, Mr. Justice Mustill rejected the contention that the concept of trust could have the same full consequences when used in a foreign legal ambience by parties and lawyers unfamiliar with the English law of trust. Though he did not say so expressly, he seemed to consider the ordinary meaning of the word rather than its strict significance in English law, and rejected the owners' claim that they should receive the complete restitution they would be entitled to receive from trustees. The relation was, said the judge, not one between trustees and beneficiaries but between principals and agents. There was no doubt that an agent had a *lien* on his principal's goods and that a ship's manager could arrest the ship he managed to enforce his claims against the owner. However, by acting in the underhand manner that they did, the managers abused the confidence which the owners were entitled to have in them. The arrest of the ship was indeed a breach of the agreement which established a fiduciary relation between the parties.

Irrelevant

When it came to the calculation of the managers' liability Mr. Justice Mustill held that the umpire was wrong in excluding the owners' claim for interest they paid in respect of the bank guarantee. It was irrelevant whether the managers did or could foresee the payment of interest. In the absence of special circumstances damages are recoverable as a matter of course and the incurring of a proper cost of mitigation of the loss is deemed to be foreseeable.

The judge thought the old dispute ought to be put to rest. But it will not. There will be an appeal.

* *High Court, Queen's Bench Re The "BORAG" judgment of June 22, 1979, unreported.*

Points system needs changing

RACING

BY DOMINIC WIGAN

ALTHOUGH THE original idea behind the Gilbey Racing Championship Awards was undoubtedly an enterprising one, there is now no doubt in my mind that the structure on which the pointing is based needs a radical change.

We are already fast approaching the tail-end of the season, and the standings can be seen to mean either a little or a great deal, which every way you want to look at them.

Irish River heads Gilbey's European Champion Table with 440 points, followed by Dickens Hill (370), Fatusael (360), and Troy (340). The Sprinting is headed by Thatching with 240 points, followed by Double Form (220), and Ahonoora (140). Kris and Le Moss have collected many more points than their rivals for Miler and Stayer honours respectively.

There will be a few wanting a double-take at Gilbey's middle distance category. Gay Mecene was beaten out of sight by Ile de Bourbon in the Coronation Cup and lost to Troy in the King George VI and Queen Elizabeth Diamond Stakes. But he heads that Gilbey table with 240 points. Dickens Hill—thrashed by Troy in both the English and Irish Derbys—shares second place on 220 points with that Dual Classic winner.

Still on the subject of the top performers, Sussex Stakes winner Kris and 2,000 Guineas hero Tap on Wood are scheduled to clash in the Waterford Crystal Mile, which has been transferred from Goodwood to Ascot.

SALISBURY

2.00—Pheidias
2.30—Carrowmore Boy*
3.00—Toondra**
3.30—Rheinman
4.00—Alpine Rocket
4.30—Sirenivo***

Two days before that event, which is due to be run on Saturday week, the major Sussex Stakes disappointment, Thatching, goes for York's William Hill Sprint Championship.

Noelino, who finished eleventh in the Derby when so much was expected of him, is another travelling over from Ireland for York.

Joie de Vivre is not at this afternoon's Upavon Stakes at Salisbury, and the 1¼-mile event seems best left to the underrated Sirenivo.

TV/Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.50 Magic Roundabout. 9.55 Jackanory. 10.10 Don and Pete. 10.15 Desert Adventure. 10.40 Take Hart. 11.25 Cricket: Third Test —England v India. 1.30 pm Playboard. 1.45 News. 2.05 Cricket: Third Test. 4.18 Regional News for England (except London). 4.20 Play School (as BBC-2 11.00 am). 4.45 Scooby Doo. 5.05 Play Away. 5.35 The Wombles.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Top Sailing.
6.55 Dr. Who.
7.20 Top of the Pops.
8.00 Citizen Smith.
8.30 The Persuaders.
9.00 News.
9.25 The Duke.
10.15 Person to Person.
10.55 Roger Whittaker.
11.45 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 11.45 News, Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55 Newyddion. 7.05-7.20 Tom and Jerry. 11.45 News, Weather for Wales.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene around Six. 11.45 News, Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.30 pm Cricket: Third Test—England v India.
6.30 Open University.
6.55 Classic Curling.
7.25 Mid-Evening News.
7.35 Landscapes of England.
8.00 The Happy Prince (cartoon).
8.30 The Paper Chase.
9.15 "Trinity Is Still My Name."
11.10 Late News.
11.25 Cricket: Third Test—highlights.
11.55 Closedown reading.

BBC-2 Northern Ireland Only—3.30-4.30 pm Irish National Swimming Championships.

LONDON

9.30 am Home Nursing. 10.05 Paint along with Nancy. 10.30 Paul. 10.55 Little House on the Prairie. 11.45 Mystery Island. 12.00 Animal Kwackers. 12.10 pm Rainbow. 12.30 Emmerdale Farm. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Afternoon Plus at Home. 2.25 Disappearing World—Umbanda. 3.20 Sounds of Britain. 3.50 Quick on the draw. 4.20 Project U.F.O. 5.15 The Squirrels. 5.45 News.
6.00 Thames News.
6.05 Star Gardens.
6.35 Crossroads.
7.00 Sapphire and Steel.
7.30 This England.
8.00 Quincy.
9.00 Jack on the Box.
9.30 Shelley.
10.00 News.
10.30 The Will to Live.
11.30 The Entertainers.
12.00 What the Papers Say.
12.15 am Close: Cyril Shaps reads his personal choice of poetry.

All IBA Regions as London except at the following times:—

ANGLIA

10.30 am Spiderman. 11.00 Chopper Squad. 11.50 Cartoon Time. 1.25 pm Anglia News. 2.00 Houseparty. 4.20 The Beachcombers. 4.50 The Next Week Show. 5.15 Makin' It. 6.00 About Anglia. 6.20 Arena. 7.30 Thundercloud. 8.00 The Incredible Hulk. 11.30 SWAT. 12.30 am Chapter and Verse.

IBA programmes are subject to interruption because of industrial action

ATV

10.30 am Spiderman. 10.50 Gardening Today. 11.15 Lucan. 1.20 pm ATV Newsdesk. 4.20 Jonny Quest. 4.50 Project UFO. 6.00 ATV Today. 7.30 Thundercloud. 8.00 Charlie's Angels. 11.30 Roger Whittaker in Concert.

BORDER

10.25 am Who's Afraid of Opera? 11.00 Cartoons. 11.05 Logan's Run. 1.20 pm Border News. 2.00 Houseparty. 4.20 The Life and Times of Grizzly Adams. 5.15 Makin' It. 6.00 Lookaround Thursday. 7.30 Thundercloud. 8.00 Hawaii Five-O. 1.30 Devine Country. 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 4.20 Story Hour. 5.15 The Squirrels. 6.00 Channel News. 6.10 Call It Macaroni. 8.00 Mrs. Columbo. 10.28 Channel Late News. 11.30 Twist in the Tale. 12.25 am Actualites et Projections.

GRAMPIAN

9.25 am First Thing. 10.30 The Story of Wine. 11.00 Tarzan. 11.50 Cartoon Time. 1.20 pm Grampian News Headlines. 4.20 Little House on the Prairie. 5.15 Bailey's Bird. 5.40 Police Newsroom. 6.00 Grampian Today. 6.10 The Rolf Harris Show. 8.00 The Incredible Hulk. 11.30 The Masterbuilders. 12.00 Reflections. 12.05 am Grampian Late Night Headlines.

GRANADA

10.30 am Sesame Street. 11.25 The Lost Islands. 11.50 Cartoon. 1.20 pm Dick Tracy. 4.20 Story Hour. 5.10 Felix the Cat. 5.15 Crossroads. 6.00 Granada News. 6.05 Time Off. 6.30 What's On Next? 7.30 Thundercloud. 8.00 Richie Brockelman. 11.30 What the Papers Say. 11.50 The Practice.

HTV

10.30 am Lost Islands. 11.00 Dodo the Space Kid. 11.05 Animated Classics. 11.50 Dick Tracy. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 4.20 Spiderman. 4.45 Bailey's Bird. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Cabbages and Kings. 7.30 Thundercloud. 8.00 Chips. 11.30 The Company Men.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.45-5.20 "Shane" (Part 3). 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.00-6.30 Report West.

SCOTTISH

10.30 am Friends of Man. 10.55 Cartoon Time. 11.10 Space 1999. 1.25 pm News. 4.20 Logan's Run. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today—Summer Extra. 6.30 Beverly Hillbillies. 7.30 Thundercloud. 8.00 Streets of San Francisco. 11.30 Late Call. 11.35 Barney Miller.

SOUTHERN

10.30 am Lost Islands. 10.55 Little House on the Prairie. 11.45 Heles and Bachelor Cartoon. 1.20 pm Southern News. 2.00 Houseparty. 4.20 Tarzan. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.30 Cabbages and Kings. 7.30 Thundercloud. 8.00 The Incredible Hulk. 11.30 Southern News Extra. 11.40 Police Surgeon. 12.10 am What the Papers Say.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. †10.30 Morning Movie: "Just for Fun," starring Mark Wynter. 1.20 pm North East News and Lookaround. 4.20 Beachcombers. 4.45 The Life and Times of Grizzly Adams. 6.00 Northern Life. 7.30 Thundercloud. 8.00 The Streets of San Francisco. 11.30 The New Avengers. 12.25 am Epilogue.

ULSTER

10.25 am Thursday Morning Movie: "Swanee River" starring Don Ameche and Al Jolson. 1.20 pm Lunchtime. 4.18 Ulster News Headlines. 4.20 Dynomutt The Dog Wonder. 4.50 Bailey's Bird. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.20 Police Six. 6.30 You're Only Young Twice. 7.30 Thundercloud. 8.00 Westside Medical. 11.30 Pro-Celebrity Darts. 12.00 Bedtime.

WESTWARD

†11.30 am Feature film: "The Man Who Could Work Miracles" starring Roland Young. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.20 Story Hour. 5.15 The Squirrels. 6.00 Westward Diary. 8.00 Mrs. Columbo 10.28 Westward Late News. 11.30 Twist in the Tale. 12.25 am Faith For Life. 12.30 West Country Weather. Shipping Forecast.

YORKSHIRE

10.30 a.m. Wheelie and the Chopper Bunch. 10.45 Sealab 2020. 11.10 Nature of things. 1.20 p.m. Calendar News. 4.20 Rocket Robin Hood. 4.45 The Life and Times of Grizzly Adams. 6.00 Calendar (Emley Moor and Belmont eds.). 7.30 Thundercloud. 8.00 Hawaii Five-O. 11.30 Fantasy Island.

Radio Wavelengths

1 — 1053kHz/285m, 1089kHz/275m
2 — 693kHz/433m, 909kHz/330m & 88-91vhf stereo
3 — 1215kHz/247m & 90-92.5vhf stereo
4 — 200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Andy Peebles. 9.00 Simon Bates. 11.00 Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.00 Tony Blackburn. 4.31 Paul Gambaccini. 7.00 Summer Soul. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Derek Hobson (s). 7.32 Terry Wogan (s). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.15 David Hamilton (s). 4.15 Much More Music (s). 5.0 News. 5.05 Waggoners' Walk. 5.20 Don Durbridge (s). 6.45 Sports Desk. 7.02 Country Club (s). 9.02 Folkweave (s). 9.55 Sports Desk. 10.02 The New Improved Show With Ten Legs. 10.30 Star Sound Extra 11.02 Round Midnight, including 12.00 News. 2.02 5.00 am You And The Night And The Music (s).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture, part 1 (S). 8.00 News. 8.05 Overture, part 2 (S). 9.00 News. 9.05 This Week's Composers: Ireland and Scott (S). 9.45 Chopin, piano recital, part 1 (S). 10.20 In Short (talk). 10.30 Chopin, part 2 (S). 11.15 Cricket: Third Test—England v India, including 1.35 pm News. 1.40 A Passage to India—the 1972-73 Tour. 2.00 Lunchtime Scoreboard. 6.40 At Home. 7.10 Pied Piper (S). 7.30 "The Jail Diary of Albie Sachs," by David Edgar (S). 9.00 Bach Cantatas (S). 10.00 Berkeley and Rawsthorne, concert (S). 10.45 Music in our time (S). 11.55-12.00 News.

VHF with medium wave above except 6.00-7.00 am and 11.15 am-7.10 pm as follows: 6.00-7.00 am Open University. 11.15 Purcell and the English Tradition (S). 12.00 BBC Scottish Symphony Orchestra (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 "Coups de Roulis," operetta in three acts by Messager (S), including 2.55-3.00 and 3.55-4.00 Interval Readings. 4.30 Bassoonery. 4.50 Messiaen, concert (S). 5.45-7.10 Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.45 The Enchanted Places. 9.00 News. 9.05 Mid-Week with Desmond Wilcox. 10.00 News. 10.05 Let's Get This Settled. 10.30 Daily Service. 10.45 Morning Story. 11.00 When Men and Mountains Meet (S). 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.27 Quote . . . Unquote (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Preview of Radio 4 UK. 3.10 On Location. 3.35 Afternoon Theatre (S). 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1979 (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Proms 79, part 1: Beethoven (S). 8.10 Flights of Fancy. 8.30 Proms 79, part 2: Bruckner. 9.45 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Let's Talk About Me. 10.55 Best of Fritz. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Unforgettables. 12.00 News.

BBC Radio London

5.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.3 p.m. Call In. 2.03 206 Showcase. 4.03 Home Run. 7.00 Black Londoners. 8.00 Soul 79. 10.03 Late Night London. 12.00-5.00 a.m. As Radio 2.

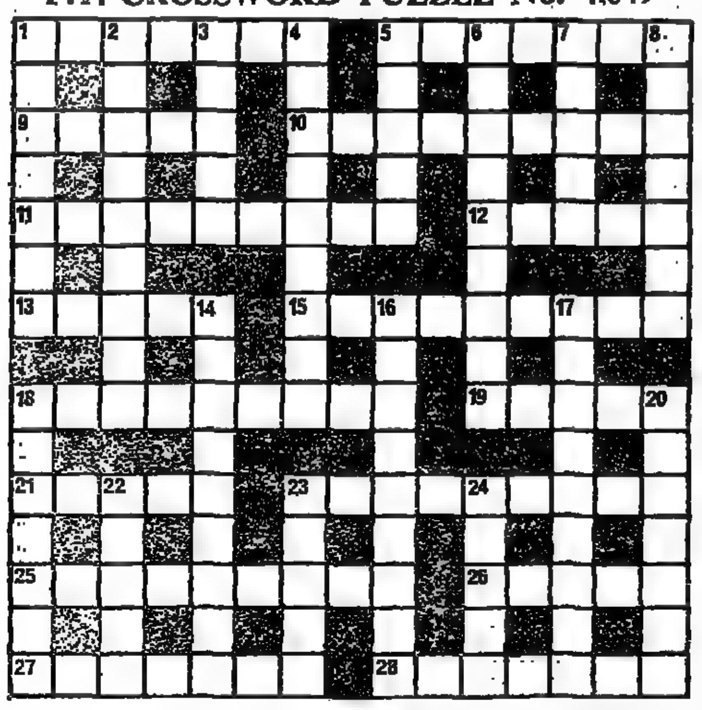
London Broadcasting

5.00 a.m. Morning Music. 6.00 The AM Show. 10.00 Open Line. 1.00-8.00 p.m. LBC Reports with George Gale at 3.00. 8.00 After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 a.m. Night Extra. 4.00 The London Interview.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Mike Smith (S). 12.00 Mike Allen (S). 3.00 pm Roger Scott (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Alan Freeman (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,049



ACROSS

1 Soldier returning in ceremonial clothing to introduce irrelevant matter (7)
5 Place where one may be found in speech (7)
9 Sniff coin from the south (5)
10 Musical work turning into surgical work (9)
11 Not suitable to be incompetent (9)
12 Pole leaving hostel for other accommodation (5)
13 Rigid as a body may be (5)
15 Sailor sent round globe is capable of holding liquor (9)
18 Railway locomotive's position for an imposter (9)
19 Stick pole in head (5)
21 Spirit in strange location (5)
23 Stand for soldiers now (9)
25 Brain late to develop but it may be taught (9)
26 Tot the French made bad (5)
27 Communist leader is ginger (3-4)
28 Seaside performer creating nonsense at end of jetty (7)

DOWN

1 Debate athletic missile with Pole (7)
2 Mixed grade-nine syrup (9)
3 One more extract without weight (5)
4 Small worker should get things down quickly (9)
5 Notice people inside change (5)
6 Hated part arranged in dangerous place (5-4)
7 Being way out round the south (5)
8 Underwear for one team-leader (7)
14 Self-employed person has fish in France (9)
16 Fight over a good deal but it's pretty worthless (5-4)
17 Oriental like nurse or Cockney (4-5)
18 Render for each around the end (7)
20 Beg for a bit of golden treatment (7)
22 Very good lot of dollars (5)
23 Dressed to steal from editor (5)
24 Make proud Oriental tardy (5)

SOLUTION TO PUZZLE No. 4,048

H	A	R	T	S	H	O	R	N		G	R	A	S	S
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ENTERTAINMENT GUIDE

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CINEMAS

CLASSIFIED ADVERTISEMENT RATES

هكذا من الأصل

THE ARTS

The Other Place, Stratford-upon-Avon

Baal by MICHAEL COVENEY

Brecht's first play, produced with Oscar Homolka in the lead in 1922, has had two previous British productions: a studio version a few years ago in Sheffield and a London premiere starring Peter O'Toole in 1963. The poem about BB coming into the asphalt cities out of the black forests describes a poet's progress, but here we have a startlingly expressionistic picture of a roistering artist who dies among the trees. Since the 1976 publication of all Brecht's poetry in English, the piece takes on an added autobiographical interest. Brecht certainly identified himself, as a young writer, with the "damned" poets Rimbaud and Verlaine. In *Baal* we see the growth and destruction of a relationship between the eponymous drunken wild man and his Bohemian side-kick, Ekart.

David Jones's careful and intriguingly plotted production—his last, incidentally, before leaving the RSC to take over the Brooklyn Academy—gains much in clarity and tension by fighting against the play's spirit of Bacchanalian mayhem. In front of the mottled white back cloth of Ralph Koltai's ingenious design, the interiors of bar, bed-room and music hall stand in relief against the projected scenic images of forest, stars and cornfields. Seducing a young man's girl in the wistfully erotic shape of Julie Peasgood, Baal advises the boy not to love anyone. His egotism is as much sexual as spiritual. "The sky," he says, "is purple, particularly if you happen to be drunk."

Baal wreaks havoc in his search for fulfilment. He has a young artist's impatience with those who patronise him, a point beautifully made in the opening scene where, at a banquet, Baal stuffs himself with eel and wine while the bourgeois guests exchange cultural small talk across his line of vision. The presentation throughout has a sharp-etched quality that never lapses into mere cartoon. Sometimes it is a bit slow and sometimes—as in the scene of double seduction featuring two giggly sisters discovered in Baal's bed by an imperiously irate landlady—a little too anaemic. But the contours of the piece are very well negotiated.

Ben Kingsley is more devious than driven in the title role, but there is no questioning his restless determination to achieve satiety. He delivers the poetry extraordinarily well, finding rhythm and meaning in the brutally harsh verses and playing his own simple but effective music on the guitar. In 1954 Brecht wrote: "I admit (and advise you): This play is lacking in wisdom." Mr. Kingsley, however, is certainly wise in his own way, an anti-social hero with belief in himself and a strong capacity to react and comment upon the excesses and deadness of his surroundings. It is a highly creative and imaginative performance.

Nigel Terry's saturnine Ekart is a perfect foil. Baal's love for him assumes homosexual resonance in the later stages, drives him to murder the thing he loves. The woodcutters who abandon Baal, leaving him to die listening to the rain, are a likeable, eccentric bunch who, quite obviously, do not occupy Baal's plane of existence. The play stands up not only as a moving poetic debut by a great playwright, but also as a treatise on artistic energy.

A good company boosts fine supporting work by Ian McNeice, Emma Williams, Timothy Spall and Patrick Godfrey.

Julie Peasgood and Ben Kingsley — Leonard Burt

Record Review

Choirs, rituals and seasons

by MAX LOPPERT

Rameau: La Danse. Jill Gomez, Anne-Marie Rodde, Jean-Claude Orliac / Monteverdi Choir and Orchestra/John Eliot Gardiner. Erato STU 71089

Haydn: Die Jahreszeiten. Ileana Cotrubas, Werner Krenn, Hans Sotin/Brighton Festival Chorus, Royal Philharmonic Orchestra/Antal Dorati. Decca D88D 3 (3 records in box).

Britten: Spring Symphony. Sheila Armstrong, Janet Baker, Robert Tear/St. Clement Danes School Boys' Choir, London Symphony Chorus and Orchestra/André Previn. EMI ASD 3650.

The three entrées of *Les Fêtes d'Hébé*, Rameau's *opéra-ballet* of 1739, are "La Poésie," "La Musique," and "La Danse." A glorification of these arts, by means mildly narrative but mainly decorative, is the theme that tenuously links the three parts, which come after a prologue set at the foot of Mount Olympus. John Eliot Gardiner and his Monteverdi Choir and Orchestra gave at the Elizabeth Hall in 1974 a concert performance of the whole—it was thought to be the first such since the work faded from the Parisian repertory after the revival of 1770. So far, the same forces have put on disc only "La Danse"; regret at not being given all of *Hébé* is tempered by the luxury of having an essentially independent piece of it superbly well done. The performance, despite the qualifications that come later in this notice, is excellent; the recording is clear; and, above all, the music is of the most ravishing quality imaginable.

Cahusac, Rameau's friend and sometime librettist (not of *Hébé*), made a vivid distinction between *tragédie-lyrique* and *opéra-ballet*: the former, he said, is "a tableau of vast composition" like those of Raphael and Michelangelo, whereas the *entrées* of the latter are "beautiful Watteaus, piquant miniatures." There is almost a contradiction between the slightness of dramatic motivation in the *entrées* and the brilliantly stirring entertainment Rameau draws from them. "La Danse," from the first the most popular part of the work, is its peak. The plot is flimsy in the extreme—the god Mercury in disguise courts the shepherdess Eglé, who through the grace of her dancing has found a place at the court of Terpsichore.

The music courses with rhythmic red blood cells; *airs* and *ariettes* and linked dance episodes form together one of the most sustained exhibitions of Rameau's marvellous art. Rapid and sometimes startling contrasts of instrumental and vocal colour, of tempo and mood, hold the key to the special element of disturbance, provocation, elation—call it what you will—that distinguishes Rameau among the greatest composers of the 18th century. After the 1974 concert performance, Ronald Crichton wrote eloquently in these columns about "La Danse," a pastoral "where Rameau offers, not snuffbox artificiality, but something more like Tippett's earthy mysteries." The *entrée*, apparently no more than a rococo diversion, is transformed by the music into something approaching a high-summer ritual, with the summer heat of the slow *musettes en rondeau*, inviting an almost dream-like abandonment to sensual pleasure, followed by the wild summer storms of the *rigaudons* and *tambourins* (in most famous of these, in E minor, there is an extraordinary passage wherein sinking chromatic harmonies change with Chaikovskyan lushness over a fixed bass E). A profusion of brightly joyous melodic invention—Mercury's *air gai et gracieux*, "J'ai fait mon bien supreme," taken up liltingly by the chorus, is a choice example—is there to clear the air. Nevertheless, the feeling left by the music as a whole is not tranquil, not reassuring, and not wholly polite.

Eliot Gardiner shows an intimate understanding of this side of Rameau. On occasion, indeed, his understanding seems to lead him into exaggeration; extremes of tempo and dynamics, high-gloss instrumental sonorities, silk-smooth choral timbres, and fine-tooled phrasing are not the only path to Rameau, and more than once one misses in the conductor an appreciation of the Chardin-like robustness that roots all the brilliant invention to earth. (Would not the use of period instruments have supplied a little of the roughage lacking in the repast?) Rather too much polish, though, than too little. The soloists are Jean-Claude Orliac (Mercury), a high tenor unfailingly sweet and true, and Jill Gomez (Eglé), in exquisite voice—the touch of affectation in her phrasing contrasts happily with the admirably forward style of Anne-Marie Rodde, briefly heard as a Shepherdess. The minor bass part of Eurilas, a shepherd, is excised entirely—why? This record has given me enormous pleasure.

Dorati's recording of *The Seasons* also gives pleasure. It is the second of his Haydn choral recordings for Decca, and is a far more finished affair than the earlier *Creation*, also performed by the RPO and the Brighton chorus. A special point of interest is the edition: under the guidance of the late H. C. Robbins Landon, Dorati has returned the double bassoon part to its proper place (it was accidentally left out of the first printed edition), and has restored the music cut by Haydn himself from the preludes to Autumn and Winter (the latter, especially, pure gain). The execution is not absolutely finished. There are lapses in ensemble (orchestra and bass soloist Hans Sotin come briefly apart in the Summer F major aria with horn obbligato), thin patches of string tone, and the slightly colourless competence of the chorus (in what Robbins Landon calls the "Breughelian realism" of the uproarious Autumn festivities, an innate English sedateness of temperament dilutes the jollity)—all of which may trouble some listeners more than others.

But on the whole it is a reading of strong character. No want of robustness here: the introduction to autumn strides forward with bracing firmness of step: winter's chills, spring rain, summer heat and storms, and the life-giving sounds of birds, bees, lambs, dogs and running water (the *Tonmalerei* that the old composer himself dismissed as "Frenchified trash") are always aptly coloured without being self-consciously inflected. Haydn is the perfect antidote to the pagan exuberance of Rameau, for the foundation of this long and glorious masterpiece is the belief that the earth's abundance is both beneficent and ordered. The soprano proves the most vivid of the soloists; Sotin may have the most splendid organ and Krenn the most urbane line, but Cotrubas' artistry is by far the liveliest and freshest.

Britten's *Spring Symphony* evokes in me a complicated response. Mostly, I delight in its textural felicities, its mixture of light and dark emotions, its containment of so many heterogeneous elements within a form lucid and elegant. But sometimes the magic fades, as it did during repeated hearings of the new Previn recording, and then the mannerisms, the thinness of invention, and the sense of contrivance seem to prise the attention away from the good things. Response probably depends, more heavily than in most music, on the quality of performance, and the EMI performance is prosaic—it is dully recorded (sudden changes of vocal level hint at unnatural doings by the engineers), weakly sung by the boys' choir and flatly by the adults, and finds Robert Tear and Sheila Armstrong in less than best vocal form. Above all, Previn's conducting lacks flair and lift—he shows a crucial unwillingness to fulfil the "attacca" marking at the close of several sections. The record is worth hearing and even having for Janet Baker alone—the sound of the English language on her lips is a delight all its own.

LPO claims Festival Hall success

The London Philharmonic Orchestra launched its 1979-80 season yesterday, its first season under Sir Georg Solti as Principal Conductor and Artistic Director. He will appear nine times in the year.

The orchestra will give some 50 concerts in London, where Mr. Eric Bravington, its managing director, said yesterday it had drawn bigger audiences to the Royal Festival Hall than any other orchestra in its 1978-79 season. Paid attendances at the LPO's Festival Hall concerts had averaged 80 per cent of capacity.

Total turnover in the year to March 31 was £1.3m. The orchestra showed a surplus of £10,000. In the same year the Arts Council and the Greater London Council put up guarantees totalling £245,000 and industry collectively donated £100,000 to the LPO budget.

In the coming year more than 100 recording sessions will be undertaken, and W. D. and H. O. Wills are to continue their sponsorship of the orchestra's recordings in the Classics for Pleasure series which has been renamed Lambert and Butler Master Series.

Commercial Union Assurance is discussing participation in UK and overseas tours. Pioneer High Fidelity (GB) is supporting the orchestra's appearances at Glyndebourne, of which there will be 64 in all.

Besides Sir Georg's appearances with the orchestra it will be conducted in concerts and recordings by three principal guest conductors—Bernard Haitink, Klaus Tennstedt and Mstislav Rostropovich. Conducting the orchestra for the first time will be Andre Previn.

The LPO will give about 12 concerts outside the capital including a three-concert tour of Wales—Cardiff, Swansea and Aberystwyth—at the invitation of the Welsh Arts Council.

J. G.

I due Foscari in Buenos Aires by ANDREW PORTER

In operatic history, the Teatro Colón is a place of legend, prominent in annals and autobiographies. Its own annals (the history of the theatre is published in three large volumes) reveal a roster of works and of casts perhaps unmatched except by those of the Metropolitan. The Colón opened in 1908. The first season consisted of *Aida*, *Hamlet*, *Butterfly*, *Tristan*, *Rigoletto*, *Tosca*, *Gioconda*, *Morena* Toroba's *Paolo e Francesca*, *Mefistofele*, *Otello*, *Pagliacci*, *Trovatore*, *Cendrillon*, *Don Giovanni*, *Siegfried*, and Hector Panizza's *Aurora*. The 1968 season, the last in the published chronicle, consisted of *Schwanda*, *La finta giardiniera*, *Katerina Ismailova*, *Katya*, *Luisa Miller*, *Aida*, *Cav* and *Pag*, *Carmen*, *Padmâvati*, *Il matrimonio segreto*, *I quattro rusteghi*, *Il maestro di musica*, *Il segreto di Susanna*, *Butterfly*, *Giulio Cesare*, *Zauberflöte*, *Die schweigsame Frau*, *Meistersinger*, Juan José Castro's *La zapatera prodigiosa*, and *The Love of Three Oranges*. The current season opened with *Peter Grimes* and includes *I due Foscari*, *Die Frau ohne Schatten*, *Il turco in Italia*, Rota's *Italian Straw Hat*, the Ricci's *Crispino e la comare*, and Castro's *Bodas de sangre* (*Blood Wedding*).

When the Colón opened, it was but one of Buenos Aires's four active opera houses. Toscanini and Caruso were already well known in the city. For some 50 years the stars of Europe, when her opera houses were closed for the summer, had been singing there. An earlier Colón building opened in 1857 with *La traviata*, Tamberlick as Alfredo. *Falstaff* reached the Teatro de la Opera within months of its premiere, Scotti in the title role; and so did *La Bohème*, Darclée as Mimi and De Marchi as Rodolfo.

I knew the history, and I see the reviews in *Opera*, but I had never been in the house until the chance came recently to attend *I due Foscari*. In steamship days the Colón may have been on the regular operatic "circuit," but it's off the beaten track today. It's very far away—a surprising 11-hour nonstop flight from New York, about as far as Tel Aviv! I expected a beautiful theatre. I had heard much about acoustics unmatched in any house of comparable size. And I knew that, even in these days of summer competition for the stars of a kind unknown earlier in the century, the Colón could still attract big names. But, somehow, I'd expected just "big-name" opera, with all that that implies, and not much else. What I found instead was a highly professional large company, a kind of South American Scala, with a serious, dedicated approach to all aspects of the operatic art.

Since the impression, I find, is common that the Colón simply assembles casts for a brief season, let me start with some figures. The season runs from May to September. Fourteen operas are being done, most of them five times; 11 are new productions. There are 20 symphony concerts billed, and 28 ballet nights. The theatre has a full-time staff of 981, and takes on 300 more at high season. There are two full orchestras; one, 116-strong, plays the concerts and for the ballet, the other, 110-strong, for the operas. The chorus numbers 105 and the ballet 85. The huge workshops and storerooms, perhaps the most extensive in the world, are modern and are sunk out of sight beside the historic building, but (unlike so many American shops) they have access to the natural light, being tiered around sunken gardens and courtyards. The subsidy, which comes from the city, is this year about £12m. About 20 per cent of the budget is recouped by the box office. The Colón Fundación (the "Friends") provides extra funds for special purposes such as meeting Baryshnikov's or Birgit Nilsson's fees.

These are conditions that allow for carefully pondered and carefully prepared productions, and, while I must not extrapolate too much from a brief visit and a single show, I also observed the preparations for the next two operas (*Fanciulla* and *Sonnambula*), watched the theatre at work in all its departments, chatted on levels from the chief cobbler and the head wig-maker to the general administrator and the artistic director, and gained the impression of a house rather like La Scala before the troubles, aiming high, functioning smoothly, and not pinched for money.

Nevertheless, the first night of *Foscari* broke down and was abandoned. The tenor, Giorgio Casellato-Lamberti, making his Colón debut, lost his voice. Jacopo has an aria in each act. After the cabaletta of the first, there was total silence in the house. (The Buenos Aires audience is cultivated and discriminating; it was a relief to be away from New York's scenery-clappers, automatic acclaimers, and drowners of instrumental codas; years of Busch and Kleiber, I was told, united to the tradition of great singers, taught the *porteños* to take opera seriously.) Lamberti marked or croaked his way through Act II, to which the tenor is central, and there were cries after each number that the performance should be suspended. It was, and the audience went home content to know that it would be offered another performance as soon as the tenor had recovered. A stagione system with plenty of empty days makes that possible.

My own disappointment was tempered by the fact that I had already heard a full-scale, full-voiced dress rehearsal with Lamberti at the top of his form. He is a decent and personable tenor. He didn't set the Hudson at his Met debut (Cavaradossi five years ago) but he pleased, and has continued to do so (Enzo Grimaldo, Manrico). Domingo and Carreras can't sing everything, everywhere.

The Lucrezia was Margarita Castro-Alberty, a young Puerto Rican soprano who has sung Butterfly and, last December, Amelia (*Ballo*) in Juilliard performances and was likened to a young Milanov by the New York Times. When Arroyo, originally engaged, withdrew from the *Foscari* cast, Alberty got her big chance, and she took it splendidly. Since Juilliard, she has sung in Santiago and Puerto Rico; she has gained confidence and a large, assured stage manner. The voice is big and beautiful. She looks like an old-style dramatic soprano, with broad, high cheekbones, big, bright eyes, and a strong frame. Her manner is traditional, not yet individual. There were no faults of taste. She is promising. She was warmly received, and deservedly so. Francesco was Renato Bruson. I praised him in the role in these pages 11 years ago, from Naples, and since then, as the world needs no telling, he has come to the front rank of Verdi baritones. His account of the Doge was moving, admirably voiced, and masterful in its phrasing.

The Colón has a good orchestra and a superb chorus. Miguel Angel Veltri's conducting was strong, colourful, sensitive, and excellently natural in its pacing. Roberto Oswald, the house designer, is starting to win an international reputation, both as a designer and a producer. His *Tristan* sets will be seen in Washington next season. His *Foscari* scenes were high and deep, on a grand scale, and very handsome. The producer was Margarita Wallmann, in the words of an Argentinian colleague "as always tireless in search of new and decorative effect, whether suited to the work in hand or not."

I due Foscari is a highly political opera. Its subject matter—secret police, torture in prisons, conspiracies, the overthrow of a respected, flamboyant, popular leader—remains "relevant" in Argentina today. Wallman's handling was more decorative than dynamic, but Verdi's themes sound as strongly in a traditional as in an "activist" production. Usually more strongly, since the latter approach so often brings musical and dramatic distortion. Wallman's pretty groupings were sometimes affected, but the entrances of the Council—the fourth "character" of the drama—were powerfully achieved, creating an effect of force and menace. And the opening of Act III, the regatta, usually given. But there are was a happy example of that big-scale picturesque realism—a flotilla of gondolas gliding about on the depths of the big stage—seldom seen today. It's what Verdi prescribed.

The ENO's *Foscari* last year got some tepid reviews—whereas at Covent Garden in 1847, according to the *Morning Chronicle*, "the house, from first to last, was awakened to a perfect state of enthusiasm." I feel enthusiastic about the piece. I enjoy its deliberate formal planning. Act I introduces the four principals—Council, Jacopo, Lucrezia, Francesco—in successive numbers and ends with a bold daughter/father (-in-law) duet. Act II is a crescendo of textures: aria, duet, trio, quartet, full ensemble, built on the tenor. Act III reflects Act I: chorus, tenor, soprano, baritone in numbers still more intense. Verdi called the piece "monotonous in colour." It is—but not at all monotonous in performance when it is strongly done. Despite Wallmann's mannered moments, this big, straight, adventurous Colón presentation was such a *Foscari* as I have always wanted to see and hear.

The theatre is a traditional horseshoe with six tiers, three of boxes and three of triple-row seats with standing room behind them. A further set of baignoires at floor level, heavily grilled as if for harem ladies, have now become control rooms. (Every Colón performance is broadcast.) Accounts of the capacity differ; I suppose it depends how many people pack into the boxes and snuggle up in the promenade galleries. Around 3,500 is the total figure only 22 rows of stalls, as at Covent Garden, and so the effect is not dauntingly huge. The acoustics are warm, full, bright, immediate, lively, rich—all the things one wants. The pit, open and shallow, is fronted by only a cast-iron grille; the instruments sing out yet the voices are not drowned. The seats have elegant, open cast-iron frames, upholstered only where they touch one. The wooden floor is carpeted only with runners. There are no expanses of plush or carpet to suck up sound.

In 1980, Josephine Barstow is the Colón's Lady to Bruson's Macbeth. The 1981 season brings *King Roger* and the first half of a *Ring*; 1982 the rest of the *Ring* and the first performance since 1660 of Juan Hidalgo's *Celos aun del ayre matan*, to a Calderón libretto, and the first Spanish opera.

Wigmore Hall

Ireland by NICHOLAS KENYON

John Ireland's birthday was celebrated on Monday at the Proms, and all this week there is a centenary festival of his music at the Wigmore Hall. It will end on Friday with the finals of a new competition, for which six singers and four pianists have already been selected from a large entry of 77.

The competition is a fine way of stimulating interest in Ireland's music among a new generation of performers; but some have already taken it up. The cellist Julian Lloyd Webber, who gave Tuesday's concert with the pianist Eric Parkin, gave a splendidly committed account from memory of the Cello Sonata. Yet this 1923 work is utterly remote from the preoccupations of most of today's musicians; in it, fierce invective and English pastoral sit uneasily side by side. The lack of integration in the work is not due to its alternate chromaticism and diatonic writing, as Alan Bush's note suggested—rather, the problem is that Ireland's gritty, fearful, almost desperate writing cannot convincingly be made to dissolve into heartfelt lyricism without an element of bathos. Passages which might be pleasant in a song (the first movement coda, or second movement theme) just cannot bear the weight to Ireland's rhapsodic and passionate arguments around them.

Lloyd Webber put the case for the work fairly and squarely (and Mr. Parkin accompanied superbly); he was a little too fair and square in Britten's Third Suite for solo cello—here the predominant solid *forte* of his playing removed some of the work's magic, though the logic was powerfully sustained and every technical demand was met.

The concert's ingenious plan was to place Ireland alongside Britten, one of his pupils, and Stanford, his teacher. This involved resurrecting (not to say resusitating) Stanford's Second Cello Sonata, which falls so heavily under the shadow of Brahms as to be more or less invisible. A curious central movement contrasting slow and scherzo sections is its claim to originality; but the first movement was better argued, and the last was at least powerful, though its pompous Victorian fugue was soon lost in a waffle of semiquavers. The concert led ineluctably to the reassuring conclusion that English music has got better and better.

Dance in Paris this autumn

Paris will offer a great deal to attract dance lovers from September onwards. In addition to the standard Opéra performances, the XVII International Dance Festival at the Théâtre des Champs Elysées will feature the following companies: Paul Taylor, from November 12-18 (no performance November 16); Lucinda Childs, on November 20, 21; with music by Philip Glass and design by Sol Lewitt; The National Ballet of Cuba, with Alicia Alonso from November 22 to 25; The Eliot Feld Ballet, from November 27 to December 2; and the Stuttgart Ballet, from December 3 to 9 (no performance December 5) with performances of John Neumeier's *Lady of the Camelias*.

Additionally, a series of Modern Dance performances will be seen in various locales: Merce Cunningham and company will be at the Théâtre de la Ville from October 8-14; and from October 16 to November 4 at the Centre Georges Pompidou (the Beaubourg).

The Beaubourg will also be the setting for the Trisha Brown company from November 7-12; Dana Reitz and Deborah Hay will be at the Chapelle de la Sorbonne from November 23-24; and will be followed there by Sheryl Sutton from November 29 to December 1.

A group of stars of the New York City Ballet will also perform a programme of duets and short ballets at the Théâtre des Champs Elysées on September 25, 26, 29, 30. The cast comprises Mikhail Baryshnikov, Bart Cook, Judith Fugate, Patricia MacBride, Peter Martins, Heather Watts. Ballets are by Balanchine, Robbins, Peter Martins.

C.C.

Change of soloist on South Bank

Jessye Norman has had to withdraw from South Bank Summer Music owing to a family bereavement. The recital tonight will now be given by Elly Ameling with Dalton Baldwin in a programme of Mozart, Ravel, Poulenc, and Schubert. Elizabeth Harwood will be the soprano soloist in Faure's *Requiem* on Saturday. Both events will take place in the Queen Elizabeth Hall.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
2nd qtr.	110.7	104.5	96	107.9	254.4	1,367	213
3rd qtr.	111.6	105.1	103	110.7	266.6	1,380	213
4th qtr.	110.0	102.7	111	111.7	273.0	1,340	230
1979							
1st qtr.	109.7	102.0	100	110.3	176.4	1,351	234
2nd qtr.	114.5	106.0		116.7	297.3	1,299	256
Feb.	111.8	104.6	106	110.4	275.4	1,363	231
March	113.0	107.5	102	110.8	279.8	1,350	238
April	113.3	105.3	99	115.4	290.6	1,311	250
May	114.3	105.3		113.5	289.2	1,307	257
June	116.0	107.2		120.3	309.3	1,280	262
July				108.5		1,279	253

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output; metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
2nd qtr.	108.1	97.9	122.3	99.6	107.4	101.1	27.1
3rd qtr	108.4	99.5	123.3	100.6	101.2	104.1	23.0
4th qtr.	105.6	96.5	123.6	96.6	97.6	102.1	20.2
1979							
1st qtr	105.1	99.0	125.8	99.1	97.6	98.5	12.9
2nd qtr.	108.1	99.9	133.0	100.5	110.3	101.5	21.3
Jan.	100.0	92.0	117.0	92.0	77.0	94.0	10.1
Feb.	106.0	101.0	130.0	101.0	102.0	99.0	12.7
March	109.0	103.0	130.0	104.0	114.0	102.0	15.8
April	107.0	100.0	130.0	100.0	108.0	100.0	18.5
May	108.0	100.3	133.0	100.0	109.0	101.0	20.0
June	110.0	99.0	136.0	101.0	114.0	104.0	25.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
2nd qtr.	122.2	109.7	− 173	+208	−414	104.9	16.73
3rd qtr.	124.8	114.9	− 367	+154	−501	106.1	16.33
4th qtr.	124.8	112.3	− 39	+450	−480	106.9	15.77
1979							
1st qtr.	110.3	113.3	−1,181	−787	−237	107.7	16.78
2nd qtr.	134.2	129.0	− 561	−231	−210	108.0	21.69
Feb.	100.7	117.0	− 766	−635	− 78	108.1	16.62
March	117.3	115.7	− 289	−158	− 97	107.4	17.45
April	128.4	127.2	− 327	−217	−114	108.9	†21.47
May	133.6	127.8	− 185	− 75	− 54	108.0	21.53
June	140.7	132.0	− 49	+ 61	− 42	107.1	22.07
July							23.49

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
2nd qtr.	10.1	15.0	24.5	+2,800	684	1,506	10
3rd qtr.	17.2	8.3	8.6	+ 591	746	1,559	10
4th qtr.	15.1	13.0	8.6	+1,875	678	1,584	12½
1979							
1st qtr.	7.2	10.1	32.6	+1,629	777	1,583	13
2nd qtr.	9.7	16.7	28.4	+2,594	777	1,869	14
Feb.	17.6	20.6	23.9	+1,089	231	532	14
March	7.2	10.1	32.6	− 263	257	526	13
April	16.8	7.4	19.3	+ 846	343	566	12
May	12.9	8.3	20.8	+ 932	309	622	12
June	9.7	16.7	28.4	+ 816	125	681	14
July					229		14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	198.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	140.2	152.2	161.6	208.9	218.8	268.83	64.1
2nd qtr.	..	160.5	167.9	216.5	225.2	293.55	67.9
Feb.	141.1	152.2	161.7	208.9	218.7	267.36	63.7
March	143.7	153.5	163.2	210.6	220.2	268.83	65.0
April	144.3	158.4	165.5	214.2	221.6	277.11	66.9
May	146.9	161.0	167.7	215.9	224.0	279.20	67.4
June	150.7	164.5	170.8	219.6	230.0	293.55	69.5
July		164.7	174.5			278.92	72.1

* Not seasonally adjusted. † Reserves: now revalued annually, new estimates.

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The crisis at Chrysler

THE AMERICANS are fond of lecturing other governments, especially in Europe, about the evils of propping up loss-making enterprises in order to preserve employment. Such intervention, the Americans have consistently argued, prevents the transfer of resources from inefficient to efficient sectors of the economy, distorts the world trading system and is a way of exporting unemployment to competing nations.

The Americans are right to be critical. The argument is entirely valid. Yet the Carter Administration is now apparently entertaining the possibility of using taxpayers' funds to prevent the bankruptcy of a major industrial enterprise, Chrysler Corporation. This company has got itself into a financial crisis through bad management, aggravated by the recession in car sales and the cost of complying with Federal fuel-saving and anti-pollution regulations.

It has told Washington that it needs $1bn in the form of tax credits and there have been the predictable warnings of the social and economic calamities which would ensue if bankruptcy took place. To make the picture even more familiar to European observers, the United Auto Workers has urged that there should be a government equity in the company in return for financial help.

The first reactions to Chrysler's appeal have been surprisingly positive; the prospect of a large industrial bankruptcy in the period leading up to a Presidential election is viewed with understandable concern by Mr. Carter's advisers. Yet a decision to intervene would set a very bad precedent. Unlike Lockheed, which received Federal loan guarantees during its time of crisis in the early 1970s, Chrysler is not the leading defence contractor with an obvious strategic importance to the country. It is simply a company which has failed in the competitive race.

Retrenchment

Perhaps Chrysler's biggest mistake was to have regarded itself as one of the "Big Three" and thus obliged to ape General Motors and Ford in product range and in international spread, rather than as one of the "Little Two." The smallest U.S. car manufacturer, American Motors, appears to have come to terms, after a series of narrow escapes from extinction, with its diminished role in the industry. While running down its domestic car production, it has diversified successfully into cross-country vehicles (the Jeep) and there are potential marketing advantages in the alliance with Renault.

It is this kind of retrenchment which is evidently needed at Chrysler; it has, of course, already shed many of its international investments. The question is whether, with the aid of its bankers, the company can stay afloat while the readjustment is taking place, at a time of falling sales for the industry as a whole. But would bankruptcy be such a disastrous alternative? A good many of Chrysler's facilities might be acquired and kept going by European or Japanese companies which seem eager to follow Volkswagen's example in establishing a production base in the U.S.

Lame ducks

The international repercussions of a Chrysler rescue should not be underestimated by the Administration. The world motor industry is facing a difficult period over the next few years and it is arguable that capacity is excessive. If the Americans follow the bad example of the British and other European governments in preventing competition from taking its course, this will greatly increase the chances of the motor industry joining the ranks of steel, shipbuilding, and other lame-duck industries. If the U.S. is prepared to bend the rules to support its third largest car manufacturer, foreign governments will feel even less compunction about bailing out companies in other sectors.

It is true that the Americans' commitment to unadulterated free enterprise is not as complete as their public posture sometimes suggests. A variety of protectionist devices has been used to shield inefficient industries and there are mechanisms through which Federal funds can be used to help companies in difficulty. But assistance for Chrysler would take the Administration into new territory; its symbolic importance would be very great and it would open the way for other companies to claim the same treatment. If no other argument convinces him, President Carter should look at the consequences of similar intervention in Europe.

Finance for development

BANKERS wishing to put their international loan portfolios into perspective will find the latest World Development Report from the World Bank an appetiser to the annual report due from the International Monetary Fund in the autumn.

In its assessment of the indebtedness of the developing countries the bank's basic tone is soothing. This matches the bulk of informed comment on this subject which has followed the most recent surge in oil prices; but for rather different reasons.

The World Bank's report is detached. It is based on figures which can politely be described as mature and its gaze is cast out as far as 1990. The immediate impact on third world indebtedness of the second oil shock is barely referred to, because the Bank's projections pre-date the OPEC price rise in July. Yet it was this rise which sent the economists at the international banks running back to their computers.

Debt level

The World Bank's basic message for bankers is that, despite a rapid rise in the course of this decade, the level of debt faced (at the end of 1977) by the various categories of developing countries was "not unacceptably high."

It points out that though the indebtedness of developing countries increased at an annual rate of 21 per cent between 1973 and 1977, this was a lower rate in real terms than in the four years leading up to 1973. It adds that the vast majority (94 per cent) of developing country debt owing to private creditors is owed by "middle income" developing countries—and one-half by just seven countries (Algeria, Argentina, Brazil, Indonesia, Mexico, Spain and Yugoslavia). By and large the World Bank regards their debt service ratios as acceptable.

The less comfortable part of the World Bank's message to bankers is that their appearance this decade as the chief supplier of balance-of-payment financing for these middle income countries has resulted in a clear shortening in the average maturity of the debt of such countries. The result is a potentially problematic bunching of developing country repayment, re-negotiation or re-scheduling of debt in the next four years.

Seventy per cent of all private debt to the developing countries outstanding at the end of 1977 is due to be repaid before the end of 1982. In contrast only one quarter of the official debt—from agencies like the World Bank—needs to be repaid before that time.

This is one reason why the immediate, though quite probably transitory, impact of the oil price rise on the less-developed countries is a justifiable source of concern. Although the net indebtedness of such countries to international banks may grow at a more modest pace from now on, it is clear that an extensive amount of rolling over of loans has already started and must now continue. For instance, the World Bank estimates that principal repayments by these middle income countries will be due at a rate of $115bn per year in 1985, up from $20bn in 1976.

This bunching of debt repayments, whether for the individual borrower or for the developing world as a whole, makes bank finance more fragile. The individual country is more vulnerable to a sudden economic shock, like a rise in the oil price, if a large part of its debt is due for imminent renegotiation. The banking market in toto is more likely to be shaken by a Herstatt-style crisis of confidence.

Bond markets

The antidotes include increased aid from the industrialised countries and greater use of the long maturity bond markets by the developing countries: both of these are urged by the World Bank. There may also be a need for sources of official finance to bridge the gap between the short-term facilities offered by the IMF and the long-term project financing available from the World Bank.

But experience suggests that these more structured forms of finance will only be tapped if the international banking system — from the regulatory authorities downwards — moves gradually towards more self-restraint in the provision of floating-rate bank loans.

How exchange rates are being brought to heel

BY DAVID MARSH

WHEN a prominent member of the West German Bundesbank remarked in private conversation earlier this summer that almost two-thirds of Germany's foreign trade was now being carried out at semi-fixed exchange rates, he was not indulging in a piece of central bankers' hyperbole. As a result of the concerted dollar defence measures of last November by the U.S., Germany, Japan and Switzerland, and the setting up this year of the European Monetary System, a new regime of controlled floating of exchange rates has been installed on the post-Bretton Woods monetary scene.

The switch by leading governments to a policy of maintaining relative currency stability, backed by record intervention from the central banks, has brought relative calm to a foreign exchange market which only last year seemed hopelessly out of control. So far, 1979 has been one of the most stable periods for world currencies since generalised floating started with the final collapse of any attempt to run a fixed parity system in March, 1973.

Persistently large differences in inflation rates among the major countries, aggravated by this year's oil price rises, place clear limits on the degree to which currency stability can be restored. But there are several reasons for believing that at least the exaggerated fluctuations of exchange rates which have characterised the past few years will not be repeated.

First, the intervention agreements of November 1—unlike, for instance, the 1975 Rambouillet accord on "countering disorderly conditions" on the exchange markets — have actually been put into effect by all parties on a concerted basis. Gross foreign exchange intervention by the most important central banks has been of the order of $100bn since last November (significantly enough, the net figure has been far smaller—much of the intervention has been reversed).

A major part has been played by the U.S., which has dramatically increased its ability to manage the dollar rate by accumulating, for the first time, large stocks of foreign currencies in its reserves. The world has thus been launched on the path towards a multiple currency reserve system, in which other currencies—primarily the Deutsche Mark—take over part of the dollar's international monetary role.

Second, countries have shown a new-found willingness to back up intervention with more fundamental policies aimed at correcting the underlying reasons for exchange rate instability. The U.S. Federal reserve's willingness to maintain and even raise interest rates, despite the onset of recession, as part of a commitment to dampen inflation, is an example of an entirely new collaboration in monetary policy between Washington and Frankfurt. Co-ordinated interest rate policies among EMS members, again anchored on a commitment to reduce inflation, provide the main reason why the scheme in its first five months of operation has behaved remarkably like the zone of currency stability it was set up to be.

Dr. Otmar Emminger, the Bundesbank president, has even spoken somewhat ruefully of other countries carrying out "competitive revaluations" to ward off imported inflation. Germany, whose inflation rate has benefited considerably from the appreciation of the D-Mark over the past two years, is in danger of being beaten at its own game.

Deficits and surplus

Third, the acute balance of payments disequilibrium among industrialised countries which has been the principal motor of exchange rate turbulence is showing signs of dying away. Germany and Japan are expected to run current account deficits next year, the first time this has happened to both of them at once since 1964. The change is due to a variety of reasons: the oil price rise, the two countries' domestic recoveries and the delayed effects on competiveness of the 1977-78 D-Mark and yen appreciations.

At the same time, according to some calculations doing the rounds of the central banks, the U.S. may be moving back to quite a strong surplus next year. If this pattern really does come about, the foreign exchange market will have to re-appraise fundamentally which currencies it regards as "strong" and "weak."

The moves since the end of last year to set up formal or informal arrangements to constrain currencies within "bands of stability" have resulted primarily from a growing disillusionment with the working of the floating rate system. At times over the past six years, it has appeared, as Mr. Gordon Richardson, the governor of the Bank of England, has said, that the fact that rates are free to move is sufficient guarantee that they will do so.

Central banks' efforts—often rather badly co-ordinated—to smooth out fluctuations have led to a year-by-year increase in official intervention to beyond anything seen under Bretton Woods—but with no general lessening of volatility in 1978.

The planned oasis of exchange rate stability, the European "snake" mechanism, which latterly linked only Germany, the Benelux countries and Denmark, became the subject of persistently violent strains. These aggravated erratic shifts of capital into the Deutsche Mark, recreating the external constraints on monetary control from which the Bundesbank thought it had escaped in 1973.

And finally there has been disappointment that the sharp appreciations and depreciations since 1973 have not in the past made a more effective contribution to the adjustment of payments imbalances in the industrialised world. Indeed, with the short-run inflation and current account performance of strong currency countries actually seen to be benefiting from the effects of exchange rate appreciation, last year's dollar crisis had a self-perpetuating quality about it—until the U.S. was finally won over from its post-1973 philosophy of letting the markets look after the dollar.

The desire for more stability has not, however, lured the monetary authorities into the trap of trying to peg currencies for indefinite periods. The overall aim remains the classic one of all—intervention understandings reached since 1973—to spread adjustments of exchange rates to differing rates of inflation evenly over time.

Within the EMS, one of the basic principles insisted on by Germany and explicitly accepted by all members (though not yet put to the test) is that parities should be changed when they appear to have become "unrealistic."

U.S. and German officials are at pains to stress the adjustability of the de facto target zone of DM 1.80-1.90 to which the Bundesbank and Fed have constrained the dollar for most of this year by dint of massive intervention on both sides. And a similar point is made by the Swiss National Bank about the Swiss franc target rate against the D-mark.

But there has been a significant change from the principles of Rambouillet which limited central bank operations to nothing more than "smoothing" intervention. Under the November 1 agreements, the U.S. and the other countries intervened explicitly to correct what they viewed as an excessive decline of the dollar. This introduced for the first time since the collapse of the fixed rate era the concept that the central banks should at least try to take a view of where they think exchange rates should be.

This informal collaborative approach has been described by Mr. Paul Volcker, the new chairman of the U.S. Federal Reserve, as "a clearer understanding of a few leading nations among themselves about what extremes of fluctuations are mutually tolerable, and which should be strongly resisted."

The new firmness has come through very strongly in the handling by the U.S. and German central banks of the dollar/mark rate since last autumn. Between mid October and end December, the Fed and Bundesbank supported the dollar to the tune of about $9bn to stabilise it, after November 1, well above the DM 1.80 level; during the period January-May, they sold about the same amount as the currency started its rise to above DM 1.90; and since the relapse in mid-June they have bought at least $4-5bn.

The dollar's mid-summer fall was in large measure a correction from a position which both central banks regarded as overvalued. But there has been a strong resolve to prevent the dollar falling beneath DM 1.80.

Similar, though smaller, purchases and sales of dollars have been made by the Japanese and Swiss central banks during the dollar's phases of strength and weakness since last autumn. Central banks, indeed, can point to some indications that these operations have led to a kind of equilibrium. Thus the overall fall in currency reserves of Germany, Japan, and Switzerland this year has cancelled out a large part of the accruals resulting from their dollar support intervention.

Of course, the compartmentalisation of the world into tightly managed exchange rate zones is still far from complete. The New York Fed's co-ordination with the Bank of Japan is looser than that with the Bundesbank—partly explaining why the yen/dollar rate has been relatively volatile.

And sterling, the gyrations of which this year have made it the maverick of the foreign exchange market, is still outside any of the collaborative foreign exchange frameworks that have been set up.

Adaptation of interest rates to external constraints is part of the "rules of the game" of the EMS—to which Britain must adhere should it decide to become a full member in November. The willingness—although somewhat grudging on the part of Belgium—of EMS members to hoist interest rates this year in response to the Bundesbank's tighter monetary policy has protected the system from major strains so far.

Although intervention has been needed to keep the Belgian, Dutch and Danish currencies within their limits against the D-Mark, it has been fairly moderate.

Inflation factor

The setting up of the EMS, and the exchange rate understandings with the U.S., have also brought important obligations for Germany. Above all, it can now no longer react too strongly to the increase in inflation which is the almost inevitable consequence of a semi-fixed exchange rate relationship with its major trading partners.

Bundesbank officials now admit it is impossible for Germany to both enjoy relative exchange rate stability vis-a-vis its higher-inflation trading partners and at the same time avoid importing a higher rate of price rises.

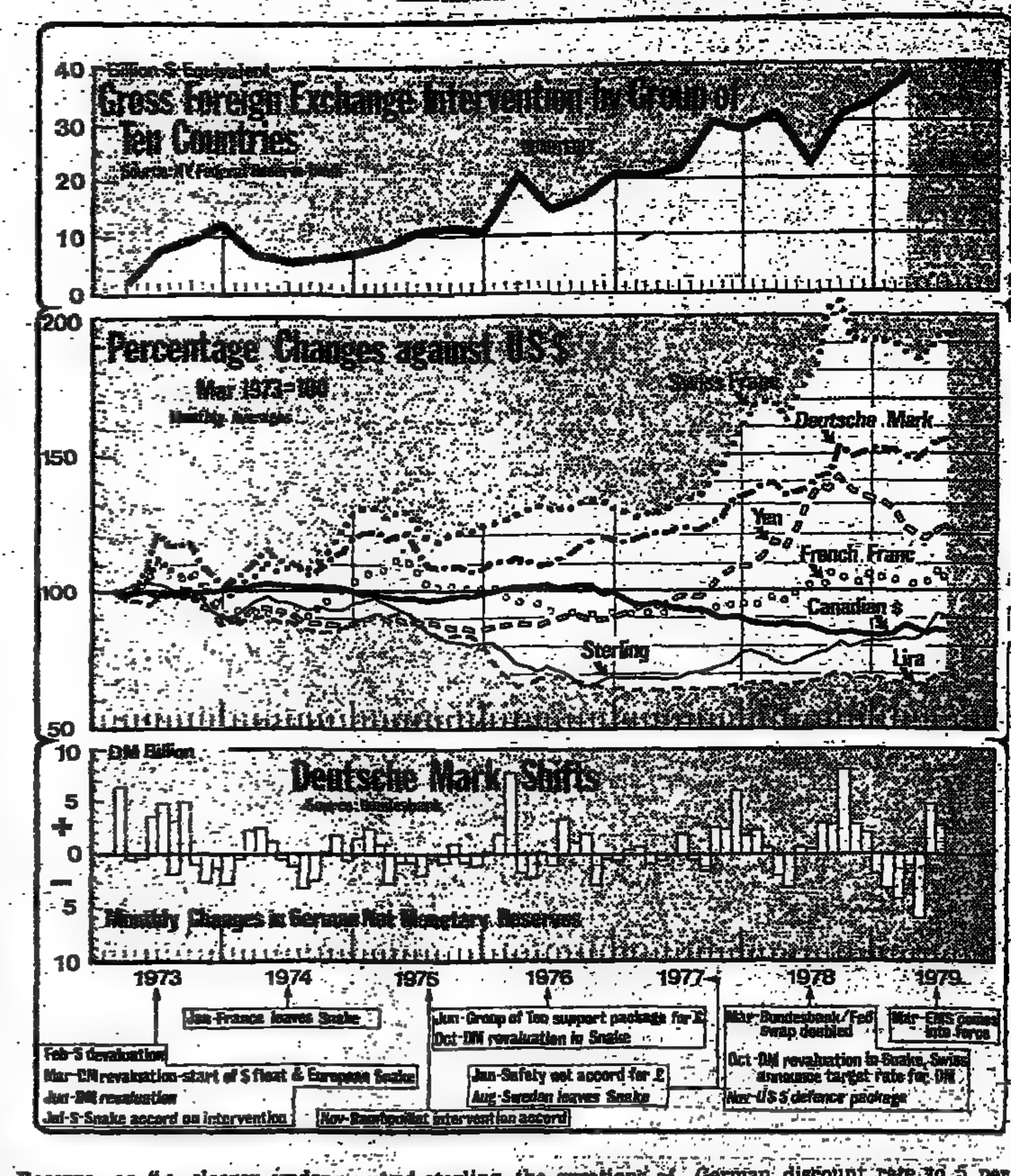
With inflation now heading for 5 to 6 per cent in coming months (due, in large measure, to the spurt in import prices this year), the two increases in German discount rate to 5 per cent this year do not seem an immoderate over-reaction. But any further tightening would almost certainly rock the boat with the U.S. and the rest of the EMS.

There is a similar need for give-and-take in a rather more fundamental area — the role of the D-Mark in the international stabilisation of currencies. The November decision for the U.S. to build up its foreign currency reserves gave an important boost to the D-Mark's reserve currency importance.

Before November, the U.S. had practically no foreign exchange reserves. Intervention could only be carried out to the extent that the New York Fed drew on short-term swap credits with other central banks. Now that the U.S. has, however, made long-term borrowings in foreign currencies of about $6.4bn equivalent, its foreign exchange reserves have become a permanency.

Faced with the realities of November 1 — and with the fact of continuing reserve diversification by central banks all round the world — it is idle for Germany to go on pretending that the D-Mark is not an important reserve currency. But this is still at least the official line.

Some observers believe that Herr Karl Otto Poehl, the present Bundesbank deputy president, who is widely expected to succeed Dr. Emminger at the end of the year, has a rather more open mind on the reserve currency question. A genuine movement towards a multiple currency reserve system, continuing the post-Bretton Woods evolution towards more symmetry between the U.S. and other major countries in international monetary arrangements, would then have a greater chance of becoming reality.



MEN AND MATTERS

Art on a handful of rice

Behind a warning notice by the Fine Art Trade Guild in its latest official journal lies the story of a booming sweatshop industry in Hong Kong. The notice threatens members with expulsion if they deal in "paintings or prints where copyright is infringed, whether these are cheap importations or imitations of British origin."

The Guild is trying to shut the door against copied paintings done in Hong Kong "factories" by Chinese artists, who often sign their output with imaginary western names. Scenes of the English countryside are being re-created in Far Eastern tenements, directly plagiarising colour reproductions exported by British firms.

The paintings are being offered to British art companies for as little as £1.50 a time, bigger ones cost up to £15. "Some unscrupulous galleries have been selling these products at high prices," says David Roe, managing director of Felix Resenstiel and Son, the London-based trade suppliers.

Roe tells me that potted biographies are invented for the painters whose "names" are on the paintings, including cities around the world where he is claimed to have exhibited. "The quality is often not bad," admits Roe. "At first the Hong Kong exporters concentrated upon America, which was an easy market to penetrate. Now a fair amount of stuff is coming here."

A Kowloon exporter recently made the mistake of sending its brochure to Frost and Reed, a Bristol firm selling copyright reproductions of popular modern paintings. The brochure offered paintings unmistakably copied from Frost and Reed's range. "They wanted to sell us the paintings cheaper than our prints," says company secretary Brian Butler. "Pictures of London, pictures of Paris, it is all the same to them."

Some British dealers are deliberately importing the cheap "factory art" from Hong Kong, because of what Roe calls the "snob appeal for some people of having what look like originals on their walls." He believes that his own firm has never handled a picture that infringes anyone else's copyright.

Another race

As survivors of the Fastnet disaster limped back into Plymouth, two small yachts sailed from the harbour yesterday at the start of another race—the 12,000 mile "staggered start" Parmelia to Western Australia. The rescue operations going on this week have cast a cloud over the longer race: several of the Parmelia favourites had entered the Fastnet as a warm-up.

One of these, the Siska, got back to Plymouth with a broken boom. Another, the Seltrust Endeavour, put into Cork. But the whereabouts of a third was still unknown yesterday: that is an ocean racer, named the Parmelia, and skippered by Western Australian Bob Williams.

There are 30 entrants for the race to Perth. The biggest of them are scheduled to set off at the end of this month. Next Monday, a celebration is to be held on Plymouth Hoe, sponsored by Amax, the mining group which has big interests in Western Australia.

I put it yesterday to Arthur Reef, senior vice-president of Amax, that the mood in Plymouth might be unsuitable for a celebration. "Fastnet will be a cloud over the yachting fraternity for some time to come," he agreed. "But our event is primarily for the 150th anniversary of the founding of Western Australia."

Dignitaries from Western Australia and the West of England will assemble on the Hoe for dinner in a marquee. The band of the Royal Marines will play in the background. By then, the organisers clearly hope, yachting enthusiasts will be able to look forward to the Parmelia, rather than back to this week's tragedy.

Gypsy situations

Gypsies are a traditional feature of the rural scene in southern England, even if there are those who dispute that today's roving scrap dealer has much in common with the romantic traveller of yesteryear. Another rural tradition is for the authorities to offer strong encouragement, one way and another, to gypsies to move into the next county, and one of the few councils to grasp the nettle of the 1968 Caravans Act (which enjoins councils to provide camp sites) is Hertfordshire, which has built up a 10-strong Gypsy Section, consisting of specialist officers, gypsy wardens, and support staff."

Its head having himself moved on, the council is now looking for a new man. "It is an arduous job," admits the director of social services, Herbert Laming. In the words of his delicately-worded advertisement, it involves "a capacity to create effective channels of liaison in situations of conflict." Such a talent should prove especially useful when the 10 find themselves in conflict situations with, for instance, ferocious dogs. Aggrieved non-gypsies are also part of the brief.

No, says Laming, he is "not ruling out" the possibility of taking on a gypsy, as long as he or she can write reports and "relate to district councils and other authorities." This might require finding a modern version of the scholar gypsy.

Buyer ex machina

Following the Post Office's unfortunate muddle-up of the Rowland Hill centenary air-letter, the government of Guernsey is relieved that it has not—as seemed inevitable—found itself equally embarrassed by an issue of stamps celebrating 100 years of public transport. The island's only public transport, in the form of the Guernsey Railway Company (which curiously runs buses but no trains), has been saved from final collapse in the nick of time.

Earlier this year an arbitration award giving the 150 bus drivers a 16.5 per cent pay rise so disgruntled shareholders that they decided they had had enough. The authorities in St. Peter Port announced hurriedly that it was "none of our business" what happened to the company. No-one else appeared over-interested either, possibly because there are 22,700 cars on the island, a population of scarcely double that, and petrol at 78p a gallon. In short, the story of public transport on Guernsey seemed to be nearing an untimely conclusion.

Now an anonymous buyer has miraculously turned up, bearing £500,000, and for his own reasons hiding behind an obscure investment company called Steiner Investments. The new management's first move has been to increase fares by 25 per cent, on grounds that the buses lost £68,000 in the first half of this year. In a phrase which has become familiar, it has warned that another 10 per cent will be needed to keep pace with rising costs.

Keeping well clear of the rancour this has aroused in some quarters, the government has somewhat sheepishly agreed to spend £10,000 on looking into the transport system. But there has been no fresh enthusiasm to divert precious stamp revenues into keeping the Railway Company on the road.

Steam radio

Overheard in a Turkish bath: "They got rid of capital punishment only to replace it with Capital Radio."

Observer

ECONOMIC VIEWPOINT

A Keynesian approach to development

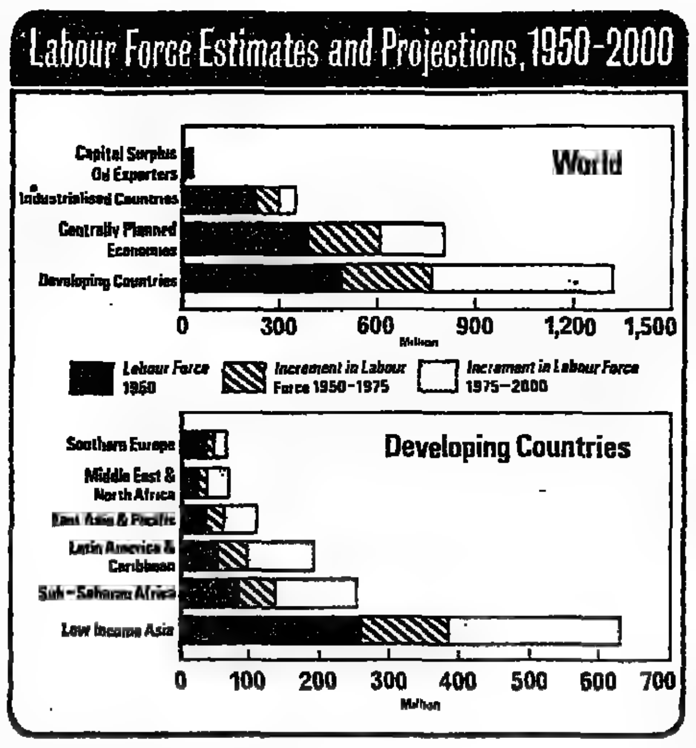
WORRYING ABOUT the world's poor has been a creditable British tradition since the days of Kipling and the white man's burden; but worry is not the same thing as constructive thought. If it were, those most actively concerned in the richer countries would complain more loudly about, say, British housing policy or EEC steel policy than they do about aid policy or the debt burden. Our demand for imports is potentially more helpful than our supply of capital.

When it comes to development, "enlightened" thought is more up to date. Nearly all national and international agencies now give top priority to rural rather than industrial development, because rural poverty is still more abject and persistent than poverty in such readily reportable sites of despair as Calcutta. Indeed, this is inherently obvious: if it were not so, country people would not voluntarily go on migrating in their millions to the slums of Cairo, Mexico City and the miserable agglomerations of the poor countries. However, the best argument for this new priority for rural aid is not based on charitable thoughts. It is that rural aid is a far more *effective way to encourage industrialisation* than direct aid to industry.

These two themes—the need for grassroots development, and the fact that the gains from trade are more relevant to the rich than to the poor—are woven into every section of the analysis of world development problems which has been published over the last two years by the World Bank. While the historic World Bank themes of aid and interdependence, and the necessity for population control, are equally persistent, they are not central to the economic argument. The economic analysis itself has been swinging imperceptibly for many years, but it is now clear. It has gone in exactly the opposite direction to arguments about national policy in the rich countries. The World Bank, like a growing number of Third World Governments, is now *preaching what* amounts to Keynesianism on a world scale—and in some respects rather socialist Keynesianism.

The problems which have driven the bank in this direction are *fundamentally similar* to those which drove Keynes to question the prevailing wisdom: the failure over a long period of conventional policies to eliminate poverty and unemployment. The conventional hope, general a decade ago, was that policies designed to get poor countries into the world market by any convenient means would generate incomes which would percolate down through the economy and lead eventually to take-off. This has worked *admirably in a few countries*, but failed for more than half the world's population. The *main reason* has not been economic but demographic: populations have grown faster than the employment opportunities which could be generated in this way. However, the problem has provoked new economic thinking.

This problem will get worse for the foreseeable future, as the chart shows. The expected growth of the labour force up to the end of the century is frighteningly huge. For most of this period, these are people who have already survived the hazards of birth in a poor country, so that a family planning revolution would have little effect. In the poorest countries especially the growth is so large that even on the most optimistic forecasts of industrial growth, the proportion of the population on the land will tend to rise rather than fall. Rural development is therefore a simple necessity.



However, development experience has shown that it is a necessity for quite a different reason. If something can be done to get rural incomes rising, then this creates a demand for simple industrial goods; and studies have shown that this effect—a good old Keynesian multiplier — is a more powerful influence for growth than any other use of the same money.

Indeed, the World Development Report, as the World Bank now calls its own annual report, points out that the most successful and even spectacular examples of industrial development—Korea, Taiwan, and indeed Japan itself—all started their development process by pouring resources into the farm economy. The growth of a protected home market for industrial goods was the next stage. The transition to an open export economy was the final sign of mature development.

By contrast countries which have neglected the rural economy—the report mentions Egypt, Argentina and Brazil—have suffered persistent poverty problems and/or balance of payments crises. Too much emphasis on industrialisation may simply turn a food exporter into a food importer, with little net gain

However, simply making the land productive is only seen as a partial solution. The real need is to do it in an appropriate way —and this is where the socialism comes in. To make the most of available resources, and to spread the benefits, poor countries need small, labour-intensive farms, which also tend to be most productive per acre if adequate water and fertiliser are available. Equally, this is the most effective way to generate the incomes which lead, though demand, to appropriate industrialisation.

The World Bank therefore supports radical schemes of land reform. Its main problem is that it can be almost impossible to *persuade sovereign government* to carry out such reforms; vested interests are too strong.

The kind of bootstraps operation set out here may be harder in practice than it is in theory. Populations which scratch a bare subsistence from the land cannot readily be transformed into a primitive consumer society. A friend of mine, for example, spent some years demonstrating that cotton could readily be grown in an inland tract of a West African country which was importing cotton from the U.S. The local farmers were interested, but unimpressed, despite offers of cash from an appropriately created state marketing organisation. They would not grow cotton for *cash, because the area offered* virtually no opportunities to spend cash. However, once the process can be started, rural demand does apparently produce supply very *effectively*.

The World Bank also argues *that the kind of industrialisation* which occurs in response to this injection of demand is much more helpful than the kind which follows a direct attempt to attract capital. The very measures that attract capital—tax holidays, subsidised interest rates and so on—tend to favour capital at the expense of labour. The fact that "old" development policies led to capital-intensive plants in countries with perhaps 30 per cent unemployment was as much the result of mistaken financial policies as of any errors due to national pride.

Up to this point, there is nothing in the current World Bank analysis which is incompatible with the kind of drive for self-sufficiency being mounted by such countries as Tanzania, and increasingly preached by the poorer countries in general in *UNCTAD and the Group of 77.*

Protectionism

Indeed, the new development consensus favours protectionism of a kind: but of a possibly unfamiliar kind. *The report* argues that protection works best to launch *industries* which are efficient on a small scale. Protecting industries where economies of scale are important is a losing strategy for a poor country: it may be a very long time indeed before it can attain a sufficient market size to compete, and for all that time it is losing resources through *inefficiency*. Protection is seen as a help at first but a hindrance later: in a robust *self-sustaining economy, open* market forces will help to direct resources to their most efficient use.

For fully developed countries, protection is against both national and international *interest. The World Bank is in* fact far more worried about growing protection in industries ranging from steel to shoes than about aid budgets. It is here that recession may injure development.

It is therefore seen as the duty of rich countries to concentrate on improving their adaptability, through innovation and labour mobility (that is where housing policies come in) so that they can import the cheap goods available from poorer countries —and thus incidentally help to control inflation. So a Keynesian approach to world growth is fully compatible with a market-discipline approach to the problems of the developed world. One is reminded here not so much of Keynes as of a much older strand of thought which I misquote from Hilaire Belloc:

"Lord Wealthy tried to mend the electric light;

"It struck him dead, and serve him right.

"It is the duty of the wealthy man

"To give employment to the artisan."

This very brief caricature of my own reading of the World Bank reports leaves little space for comment; but the issues do seem worth underlining. Intuitively, the idea that essentially Keynesian notions of relying *on demand multipliers to foster* growth on a world scale, while abandoning this approach in our own countries, is appealing. Keynes, after all, was essentially arguing for public spending (and public deficit) when private demand was inadequate. He would hardly have advocated spending this money on subsidies for the rich.

The rich and the poor countries do not live in a single fiscal system so the same mechanisms cannot apply. However, the World Bank analysis does suggest that public borrowing to finance aid of an appropriate kind could be good for growth and help to check inflation, where domestic spending would be self defeating.

The analysis also lends extra weight to the long-standing argument for a link between development finance and the creation of new world liquidity. This has admittedly become more than a little mildewed, but the chosen alternatives — the creation of SDRs and residual reliance on international banking — have hardly proved a howling success in financing growth without inflation.

Aid will almost certainly be a side-issue, however. Development is assisted by external capital inputs and later by the gains from trade, but these are not essential; if they were, the successful development of our own industrial revolution would have been impossible. Trade with the developed world is in the last resort a highly valuable optional extra.

The real danger from a protectionist response to recession in the *rich countries*, which the bank underlines, is that if the new development strategies are indeed effective, the developing world will increasingly tend to *go it alone. Already the report* shows that the newly-industrialised countries are finding faster-growing markets for their most sophisticated products in the developing than in the developed world. Already the Group of 77 is seeking ways to create its own internal credit flows and mechanisms. In the long run, it may prove easier to develop markets in poor countries than natural resources in rich ones. Interdependence would then be a threatening word.

Anthony Harris

Letters to the Editor

Commodity centre

From Dr. G. Gemmill

Sir,—Mr. Gordon (August 13) argues that the City should itself raise all of the money required to provide new accommodation for the bureaucrats of the international commodity agreements, since the financial institutions would be the main beneficiaries in the long run. I think that the arguments favour a governmental contribution to the investment. The public benefits exceed the private benefits. The private benefits are widely diffused so that it is difficult and expensive to collect the appropriate private contributions. The commodity organisations are inter-governmental so that our Government has a responsibility in negotiating any question concerning a change in their location.

The public benefits over and above the private benefits are difficult to assess. London houses none of the main UN agencies, unlike Paris, Geneva, Vienna and New York. There would *surely be substantial political* benefits from housing the newest agency, the UN Common Fund for financing commodity agreements, and London would be a very appropriate location since it is an international finance centre. The argument made by some protagonists, however, that invisible earnings are a public benefit is, in my view, quite mistaken. Unless foreign exchange is rationed or the balance of payments constrains economic growth (as *Professor* Thirlwall of the University of Kent argues), there is no reason why exports of any kind should be given special encouragement. Are goods which are exported in any way "better" than goods which substitute for imports? The argument (made by Mr. Gordon) that theatre should be subsidised, because of its invisible tourist earnings, is similarly weak. Theatre provides great public benefits, but invisible earnings are not one class of them.

The private benefits from retaining the international commodity organisations in London have been outlined by John Edwards (Lombard column, August 8). They include benefits for commodity-traders from better information, for the tourist sector from the spending of "super-tourist" bureaucrats, and for the banking sector from the deposit of the buffer-stocking accounts of the organisations *(and potentially of the Common* Fund). The problem is how to get each potential beneficiary to contribute according to his own gain. The usual solution to this problem of collective action is through a tax, in this case on the City institutions. Barclays Bank obviously takes the different view that voluntary contributions can raise part of the sum required.

Commodity agreements are made between Governments and so it seems logical that Governments should at least be involved in discussing the location of their organisations. If the Government wants to attract the Common Fund to London it needs to have a plan in which the Fund and the commodity organisations share joint facilities. That will require a commitment to share in the necessary investment.

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23, Goswell Road, EC1.

High speed energy

From Mr. N. Seymer

Sir,—In its advertisement of August 6 British Rail, seeking to convince us that we should invest more resources in the system on the basis of its alleged energy efficiency, uses some curious figures.

The figures are given in terms of "mpg per passenger" for car, aircraft and train. But the 32 mpg for a Cortina obviously relates to the car's miles per gallon while the 76 mpg for a Boeing 747 is for seat-miles per gallon. One can only speculate as to the provenance of 400 mpg for a high speed train. It did not emanate from Dr. A. H. Wickens, BR's own expert on energy in transport. If one takes the figure for an inter-city bus which he published in 1974 *plus a figure which he has given* me for a high speed train and adjusts them using appropriate load factors, one obtains the following passenger-miles-per-gallon results:

Inter-city bus (85 per cent load factor)	357
High speed train (40 per cent load factor)	92
*Cortina (1.6 average occupancy)	51
*Boeing 747 (60 per cent load factor)	46

* Based on the BR ad.

On these figures the inter-city bus is four times as energy-efficient as the high speed train, the high speed train is 1.8 times as energy efficient as the car—not 12 times as the ad implied—and the car is 10 per cent more efficient than the plane. I suspect that those who wrote the ad *took a figure for* kilo-Joules per seat-kilometre which is about 400 for the high speed train.

Nigel Seymer.
15, Lansdowne Road,
Wimbledon, SW20.

The role of leasing

From Dr. S. Hodges

Sir,—Mr. S. H. J. A. Knott (August 10) takes issue with the article on leasing by Julian Franks and myself in the recent National Westminster Bank quarterly review. He asserts that the benefit of the tax credit is now split roughly equally between the lessor and the lessee and he appears to claim that this is inconsistent with our view. Not at all. In our article we point out that in the early days of the leasing boom most of the benefits went to lessors, but that "sooner or later lessors will be forced to compete down to the level of their marginal costs." They still have some way to go: our analysis shows that when it is profitable for a bank to lend at 15 per cent, it can be even more profitable for its leasing subsidiary to lease at a cost to the lessee of some 7 per cent below this.

Mr. Knott is correct in saying that the gap between interest rates and lease rates widened in 1978. I cannot, however, accept his interpretation of the return on capital of the various leasing subsidiaries in 1977 as evidence of benefits passing to lessees. Return on capital is *always fraught with difficulties* as a measure of performance. For leasing companies (pending the adoption of a satisfactory accounting standard) it is particularly misleading. Profit is very sensitive to the choice of depreciation method. The inclusion of deferred tax in capital employed means that it bears almost no relationship to the actual cash investment. It is quite possible for a leasing company to borrow most of its funds at (say) 14 per cent, earn a return on them equivalent to 20 per cent pre-tax, and still only show an apparent return on capital employed of 5 per cent (or less).

I am at a loss to understand what dangerous advice Mr. Knott fears we might proffer to the Government, or what facility we seek to withdraw. We agree wholeheartedly with him that leasing is vital to a large number of companies not paying mainstream corporation tax. *In fact most of our article is* about the nature of the financial advantage of leasing to such companies, and how it may be evaluated.

Perhaps Mr. Knott was misled by the curious heading "Manufacturing 'hit by leasing'" (not our words) to Michael Lafferty's review (August 6) of our article. We have no criticisms of leasing per se, but we do point out a problem with the current UK system of investment incentives. The granting of 100 per cent first year allowances is unusual, and it has some odd effects. The amount of *investment* on which a company can obtain full and immediate investment incentives is restricted to the level of its taxable profits. This puts new companies, and ones that wish to expand rapidly, at a relative disadvantage. Leasing enables such companies, in effect, to purchase investment incentives from a lessor, but in the process some of the benefits go to the lessor and some are lost entirely. The role of leasing is therefore beneficial, but we are led to question whether 100 per cent allowances provide the best incentive. Perhaps a lower rate of corporation tax and a more orthodox system of accelerated depreciation would be better?

Stewart D. Hodges (Dr.)
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Cracking good crackers

From Mr. H. Fairlie.

Sir, — I refer to the article by your critic on August 3.

Before and after World War 1, in our house there were two kinds of "cracker": the one containing a paper hat, etc., was *distinguishable as a* "Christmas cracker" or bon-bon; the other was a variety of cracknel known as a "cream-cracker" ("cracker" for short).

In vol. I of the Shorter Oxford English Dictionary "cracker" is described as "A thin, hard biscuit (chiefly U.S.) 1739." In Chambers Twentieth Century Dictionary it is "a thin, crisp biscuit (esp. U.S.)."

"Cracknel" appears in the Oxford Dictionary of English Etymology as "a light, crisp Biscuit XV," and in the Shorter OED as "a light, crisp biscuit, of a curved or hollowed shape." The cream-cracker, which was always to be had in our family, *was neither thin nor hard; but* it was "of a curved or hollowed shape," and measured, I suppose, about 1½ inches long, 1 inch wide and ¼ inch deep. Its shiny but hardly "crisp" surface covered a curiously smooth *(hence (?) "cream")* almost powdery centre, and when a little bit of butter and/or Gorgonzola had been laid to rest in its hollow it was something about which to write home.

My parents were "real, live, walking, talking English" people whose household — if only because they were financially neither very rich nor very poor — would have been called "middle-class," I believe, though "just an ordinary household" is pleasanter. I am surprised, therefore, that what seems to me just an ordinary usage of the word "cracker" seems strange to your TV Critic.

H. W. Fairlie.
St. Anthony's Cottage,
Trevaunance Road, St. Agnes,
Cornwall.

Alleviating jet lag

From Mr. R. Thornton

Sir,—I spend a great deal of my time in aeroplanes as I commute between my offices in San Francisco, Hong Kong and London. I was therefore amazed *to read Dr. Carrick's article* (August 13) which revealed, if nothing else, that the good doctor must have very little experience of travelling himself. While not arguing with his first three paragraphs where he describes, I am sure accurately, the medical facts associated with the body changing time zones rapidly, his suggested best remedies seem guaranteed to cause a really extended bout of jet lag. Breaking the journey between London and Tokyo can for instance only be done in the Gulf states, India and Hong Kong, or by another route via Moscow and, having tried both routes, I can assure you that the difficulties at the airports, the exposure to disease in India and general dislocation caused by so many stops, far outweigh the problems associated with travelling straight through. I find airport procedures throughout the world today are far more tedious than the business of flying once you get up in the air.

Dr. Carrick failed to mention any of the remedies which I find are of help in alleviating, although not removing, jet lag. A fit man is more likely to travel well than someone who is unfit. *The consumption of alcohol*, particularly when it is pressed on one ceaselessly in first class, is definitely disadvantageous. On the other hand, the consumption of liquid, preferably just water, is tremendously helpful in countering the problem of dehydration in pressurised aircraft at high altitudes. My own tip for avoiding the worst is to continue fairly normally on arrival at any location on that location's local clock (although avoiding taking any important decisions). Early bed on arrival or sleeping late the next morning, in my view, seems to prolong unduly the effects of the time change.

R. C. Thornton.
Broadham End,
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Today's Events

GENERAL

UK: Negotiators for the Post Office members of the Society of Civil and Public Servants meet PO management on pay *proposals*.

Shipbuilding unions given details of proposed yard cuts by British Shipbuilders.

First meeting of new Police Negotiating Board.

Dun and Bradstreet publish *survey of small businesses*.

Third test, England v. India, opens at Headingley.

Southport Flower Show opens (until August 18).

Overseas: World Bank publishes Development Report in Washington.

Fourth day of President Nicolae Ceausescu of Romania visit to Syria.

Sir Kenneth Cork, Lord Mayor of London, meets Mr. Suzuki, Governor of Tokyo, on last day of Far East tour.

OFFICIAL STATISTICS

Consumers' expenditure (2nd quarter — second preliminary estimate). UK banks' assets and liabilities and the money stock (mid-July). London dollar and sterling certificates of deposit (mid-July).

COMPANY RESULTS

Final dividends: A. and J. Gelfer. Louis Newmark. Scottish English and European Textiles. Scottish Investment Trust Co. **Interim dividends:** Dares Estates. First Scottish American Trust Co. International Investment *Trust. G. F. Lovell and Co.* Royal Dutch Petroleum Company. Royal Insurance Co. Shell Transport and Trading Co. A. G. Stanley Holdings. Bernard Wardle and Co. Woodhouse and Rixon (Holdings). **Interim figures:** Witan Investment.

COMPANY MEETINGS

Godfrey Davis, Bushey House, Watford, 12. Greene King, The Theatre Royal, Westgate, Bury St. Edmunds, Suffolk, 12. Philip Harris, Penns Hall Hotel, Sutton Coldfield, 12. Robert Moss, Ban-*bury Road, Oxford, 3.30. Scottish* and Newcastle Brews., King James Hotel, Edinburgh, 12.

Unilever reaches £322m after flat second quarter

IN A period of variable trading second quarter combined pre-tax profits of Unilever, the Anglo-Dutch consumer group, showed a marginal increase from £184.2m to £186.2m. This takes the total for the first half of 1979 up to £321.8m compared with £295m.

Second quarter combined sales went up from £2.49bn to £2.75bn—an increase of 11 per cent in value on the same 1978 period of which 3 per cent arose from higher volume.

The division between Ltd. and NV in the *second quarter was* £1.06bn (£1bn) and £1.69bn (£1.48bn) respectively and for the first half total of £5.33bn (£4.78bn) it was £2.05bn (£1.95bn) and £3.28bn (£2.82bn) *in each case.*

The first half pre-tax profit included a contribution down from £32.4m to £24.5m in respect of associated companies. The principal reason for this fall was a reduction in second quarter results of UAC International caused by difficult trading conditions in Nigeria.

The profit was also struck after heavier interest of £25.2m against £23.3m, mainly because of financing costs of the National Starch acquisition.

The profit attributable to ordinary holders in the second quarter came out at £84.2m compared with £83.8m—Ltd. £39.5m (£40.1m) and NV £44.7m (£43.7m)—and earnings per 25p of capital were 22.67p (22.56p).

The first half attributable balance amounted to £143.3m against £129.4m—Ltd. £68.3m (£67.8m) and NV *£75m (£61.6m)* — and earnings per share to 38.58p (34.84p).

The directors point out that sterling had appreciated against almost all currencies at the end *of the second quarter and this* caused a significant downward adjustment in the profit attributable to ordinary capital expressed in sterling. In this respect an amount of £7.7m was debited in arriving at the half year attributable balance of which *£4.4m* accrued in the second quarter.

Commenting on trading in the second quarter the directors report that in European domestic markets total results were again above sales of the corresponding quarter of last year, but export sales and earnings fell.

Frozen foods did particularly well but edible fats' results were down due to lower volume and margins. Other foods businesses improved as did the chemicals, packaging and transport groups.

In North America operating profit increased over the second quarter of 1978 mainly because of the inclusion of National Starch. Other results were close to last year's level, while companies in the other overseas countries continued to do well.

After the expiry of dividend control on July 31 Unilever was the first big company to pay a *special dividend. Under the* dividend sharing arrangement with its Dutch partner the group accumulated a large pool of unpaid dividends during the past seven years. On August 1 it paid out 33.52p per share at a net cost of £52.9m. The group normally announces its interim in November and the final in March.

	First half 1979	1978
	£m	£m
Combined sales	5,323	4,777
Ltd.	2,048	1,953
NV	3,275	2,824
Operating profit	320.8	286.9
Associates	24.5	32.4
Interest	25.2	23.3
Pre-tax profit	321.8	295.0
Taxation	147.5	136.0
Associates tax	12.0	15.2
Exchange debit	7.7	—
Attributable ordinary	143.3	129.4
Ltd.	68.3	67.8
NV	75.0	61.6

On the subject of deferred tax the directors state that the release of provisions under SSAP 15 is dependent on the particular circumstances of each company. In view of Dutch law and the equalisation agreement between Ltd and NV the continued adoption of provision for all potential liabilities is necessary for the concern. Therefore the accounts continue to include a full provision for deferred tax.

In accordance with this policy the company has also provided for deferred tax on stock relief in the UK since the introduction *of this facility in 1973.*

Under the UK Finance Act 1979, the deferred tax on stock relief in respect of the years 1973 and 1974 will no longer be payable, resulting in the release of the provision for these years amounting to £38m.

This exceeds by £7m the amount noted in the 1978 report and accounts because of the UK Government's decision on the treatment of clawback. This £38m has not been included in the results for the second quarter of the half year as this would distort the comparison of results, but it will be included in the published results for the full year.

See Lex

Wiggins climbs to £534,000

AFTER A £20,000 mid-way advance to £161,000 Wiggins Construct, estate developer and contractor, pushed up taxable profits from £435,000 to £534,000 in the year to March 31, 1979. Turnover in the year rose from £19.1m to £22.5m.

The pre-tax figure includes minority profits ahead from £6,000 to £58,000. There was an associated company loss of £1,000, against £9,000.

A final net dividend per 10p share of 1.075p lifts the total from 1.649p to 1.9p.

After tax of £249,000 (£197,000) the net profit comes through at £284,000, against £229,000.

33% dividend increase by GA

General Accident Fire and Life Assurance Corporation has lifted its interim dividend by one-third from 4.125p to 5.5p net. The company is the first insurance company to take advantage of the removal of restrictions on increases and all indications are that the overall total for 1979 could be raised by this amount.

The group reports much improved second quarter figures following the very poor first quarter. There was an underwriting deficit of only £100,000 in the second three months bringing *the total* underwriting loss to June 30, 1979 to £17.4m against a loss of £5.7m over the first half of 1978. Investment income was 19 per cent higher at £48.5m leading to pre-tax profits being 11 per cent down *at £31.8m com*pared with £35.7m. Attributable profits for the first half of the year were 8.5 per cent lower at £22.5m against £24.6m.

Worldwide general premium income, expressed in sterling terms advanced by 10 per cent from £370m to £408m. But the underlying growth in premiums, excluding currency movements amounted to 15 per cent, much of this being real growth in business.

A further small underwriting loss was recorded for the second quarter in the U.S., amounting to £600,000. This brought the loss for the half year to £1.2m—nearly double the loss for the first half of 1978 amounting to £700,000. Premium income was 11 per cent higher at U.S.$299m. The operating ratio in the second quarter was 99.90 per cent bring*ing the ratio for the first half* to 99.72 per cent (1978 99.83 per cent).

The U.S. automobile account produced a profit for the six-month period, but in the ab*sence of any significant rate in*creases, the profitability is deteriorating. The property account made a profit in the second quarter but insufficient to offset the weather losses of the first *quarter. The liability* account had a loss over the period.

GA is the largest motor insurer in the UK with about 1m motorists on its books. The motor account produced a further underwriting loss in the second quarter of about £400,000 despite a 13 per cent premium rate increase on Feberuary 1, 1979. Added to the losses of the first quarter—hit by the severe winter weather—the first half showed an overall loss of £5m.

The total UK account produced an underwriting profit of £900,000 in the second quarter thereby reducing the deficit in the first half to £11m compared with a loss of £5m in 1978. The industrial property account produced a good profit, but losses continued in the houseowners' account despite the group's efforts to combat under-insurance.

Business elsewhere in the world recorded an underwriting loss of £5.3m against a break-eve nposition in 1978. This came entirely from operations in Europe with all four main operating countries France, Belgium, the Netherlands and the Republic of Ireland, recording losses and the worse situation coming from France. There was a second quarter improvement in Canada and Australia.

Investment income rose in sterling terms by 19 per cent to £48.5m, reflecting the continuing high interest rate levels and the overall growth in funds. The real growth in investment income was 24 per cent. The solvency margin at the half-year stage was 56 per cen.t

Mr. David Blaikie, the chief general manager, states that present indications are that the improvement in underwriting could be maintained during the rest of the year.

The group's life business showed a drop in new annual premiums over the half year from £7.6m to £7.1m. But single premium business improved from £4.4m to £5.2m. New sums assured were slightly lower at £1.05bn, while new annuities per annum advanced slightly to £13.4m.

● comment

The half yearly figures of General Accident show that the group is back on an even keel after the dismal first quarter figures hit by the severe winter weather both in the UK and U.S. The decline in U.S. results is gentle and much less than that for the insurance industry as a whole in that country. The UK is improving despite problems with the motor account and the recent rate increase of 8 per cent, coming six months after the previons rerating, should stop this outflow. Losses in continental Europe should be at a lower level over the rest of the year. Overall it is hoped that the second half will show a break-even on underwriting which, with rising investment income, could leave pre-tax profits unchanged at around £90m. The group is best placed among the composites to take advantage of the dividend relaxation, and has done so by lifting the interim by 33 per cent. A full year increase of this order is anticipated by the market which would give a yield of 8.2 per cent at 226p.

Tubes picks up to reach £30m—outlook cautious

AFTER BEING badly hit by the transport strike, profits of Tube Investments recovered in the second quarter and at the trading level have been almost maintained at £50.5m, compared with £51.6m, for the first half of 1979.

After allowing for a lower associates contribution and heavier interest the pre-tax balance comes out £7.5m lower at £30.4m.

Sir Brian Kellett, chairman, explains that because of the transport strike first quarter profits were substantially lower, but in the second quarter sales recovered and trading profits matched those of the same 1978 period. At the AGM he warned that the shortfall would not be made good by the interim stage.

	Six months 1979	1978
	£m	£m
External sales	606.2	546.5
Trading profit	50.5	51.6
Depreciation	11.2	10.2
Profits of associates	1.7	3.3
Net interest	6.1	3.0
Profit	34.9	41.7
Steel tube and steel	8.6	10.5
Aluminium	12.0	13.9
Specialised eng'g	7.2	8.7
Domestic appliances	6.3	2.8
Cycles and toys loss	1.0	2.3
Parent, etc., cos.	1.8	3.5
Loan interest payable	4.5	3.8
Profit before tax	30.4	37.9
Taxation	8.2	7.9
Net profit	22.2	30.0
Minorities	4.3	7.0
Earnings	17.9	23.0
Extraordinary items	—	3.5
Dividends	7.4	6.4

Figures for the six months to June 30, 1978, restated to incorporate effects of revised group accounting policy relating to basis of consolidation of British Aluminium and subsidiaries and of associates in 1978.

An analysis of the profit, before loan interest, shows that apart *from* the domestic appliance business — which recorded an increase from £2.8m to £6.3m — all divisions were lower with cycles and toys turning from a profit of *£2.3m* to a loss of £1m.

Sir Brian reports that further productivity benefits were achieved in the domestic appliance division and market share was maintained or improved on a broad front. This, combined with buoyant consumer spending, led to substantially higher profits.

On the cycles side demand in the UK was strong but the widespread export business suffered major setbacks from depressed market conditions in Nigeria, disruption in Iran and the effects of the increased strength of sterling which combined to produce the loss.

Steel tube and steel encountered strong pressure on margins, particularly in export markets for commodity products but was sustained by its more sophisticated products, says the chairman.

The automotive sector in specialised engineering products achieved improve sales volumes and profits as did industrial power transmissions. In the industrial electrical area, sales volumes were down and a small loss was incurred.

Sir Brian says that the outlook must take account of the probability that sterling will continue strong and UK interest rates high, against a background of rising UK inflation and falling world demand. He also refers to the current industrial disruption in the engineering industry.

After tax and minorities the half year's attributable balance comes through at £17.9m compared with £23m—earnings per share are 30.2p against 39.2p.

The interim dividend is increased from 10.975p to 12.5p net—the total for 1978 was 23.4p *paid from profits of £80m.*

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Britannic Assur. ...int.	4.55	Oct. 1	4.36	—	10.15
British Aluminium int.	5.5	—	5	—	12.5
Carrington Viyella	0.7	Nov. 9	0.67	—	2.35
Dale Electric	4.13	—	0.94†	5.53	3.67‡
Dreamland ...int.	0.7	Oct. 5	0.45	—	1.42
Evode ...int.	0.43	Sept. 27	0.36	—	1.16
Garford Lilley	0.83	Oct. 10	0.63	1.6	0.8
Reliance Knitwear	2.15	Oct. 4	1.81	3.69	3.21
TMG ...int.	2.84	Oct. 20	2.13*	—	6.17*
Tube Invests. ...int.	12.5	Oct. 18	10.98	—	[illegible]
W. & E. Turner ...int.	0.8	Oct. 2	0.4	—	1.4
Joseph Webb	0.43	Oct. 1	0.41*	0.56	0.54
Wiggins Construct.	1.07	Oct. 1	0.88	1.9	1.65
F. W. Woolworth ...int.	1.35	Oct. 5	1.23	—	4.47
A. J. Worthington	0.55	Oct. 4	0.48	0.87	0.79
York Trailer ...int.	1.38	Oct. 1	1.19	—	2.39

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 16 months.

BACO down but second half rise seen

ADVERSELY affected by industrial disputes first half profit, before tax, of British Aluminium Company, *a subsidiary of Tube* Investments, are lower at £11.05m compared with £12.63m.

Profits in the second half of 1979 are expected to be somewhat higher than this.

The interim dividend is raised from 5p to 5.5p—the total for 1978 was 12.5p paid from profits of £25m.

The directors explain that apart from the transport dispute the company suffered an eight-week stoppage at the alumina *chemicals factory* at Burntisland, and some shorter stoppages at the rolling mills which significantly reduced the volume of despatches.

The trading profit for the half *year is £1.1m* lower despite the contributions from the new acquisitions of High Duty Alloys Extrusions and India Foils. Interest costs were up by £0.7m.

At the beginning of June the group raised its primary ingot price from £701 to £750/tonne and semis prices by varying amounts between 8 and 14 per cent. The directors say this was only the second price increase since July, 1977, and inflation has caused a severe squeeze on margins. This increase had no significant effect on the results for the first half but will make an important contribution in the second half.

Cavenham profit £3m ahead at £35.6m

INCLUDING lower exceptional profits of £2.75m against £4.78m pre-tax profits of Cavenham, food group, finished the March 31 1979 year ahead at £35.55m compared with £32.8m. Sales were up from £1.66bn to £1.89bn.

At halfway, profits, at £14.5m against £16.9m, were said to be not comparable in view of the transfer, to Generale Occidentale the parent company, of the French manufacturing companies, and the acquisition of Colonial Stores.

Sir James Goldsmith, chairman, says the current year is off to a satisfactory start with profits ahead of the same period last year.

The French manufacturing activities transfer, and the sale of the animals foods business in Spain, resulted in a reduction in sales of the industrial division from £246m to £155m with a consequent fall in profits, he points out.

Tax for the year took £9.42m (£6.08m) and the attributable balance emerged at £19.65m (£22.65m). There were exchange debits of £3.13m for the period compared with £8.92m last time.

Ordinary dividends will absorb £19.99m (£31.81m).

The company is pursuing its capital investment programme announced in August 1977, of over £200m to be spent over a five year period.

Panel asked to break Stanley-ITC deadlock

The Take-over Panel is to be asked for its advice on a formula to break the deadlock between D-I-Y retailer S. G. Stanley and ITC Pension Trust. ITC has refused Stanley's offer for its 12 per cent stake in the "A" ordinary non-voting shares in Morris and Blakey, the wallpaper company acquired by Stanley earlier this year.

The impasse has arisen because Stanley has offered for the non-voting shares a price which is 24 per cent less than the offer of 165½p for each ordinary voting share of Morris. ITC says the gap is too wide and Stanley refuses to increase the offer, positions confirmed by both sides yesterday.

At present, acceptances of Stanley's offer for the "A" shares fall short of the level at which *it can compulsorily acquire the* remainder. Stanley needs the acceptances to integrate Morris into the group.

S. W. Wood makes good start to year

The current year has started well at S. W. Wood Group and provided a reasonable degree of industrial stability is achieved, the group looks forward to a further strengthening of its position.

Mr. A. N. Bolsom, the chairman, tells shareholders in his annual review that early returns from depots and subsidiaries for the first quarter of the year show increases on the corresponding period of 1977-78.

As already known the group achieved a turnround from a £69,293 loss to a £456,605 profit for the March 31, 1979 year, on a *£18.9m (£17.4m) turnover.* The dividend is raised to 4.6p (4.29p).

The group's principal activity is the merchanting, processing and smelting of non-ferrous metals.

At balance date fixed assets stood at £1.74m (£1.72m) and net current assets were £2.46m (£1.74m).

There was an increase in working capital of £949,757 compared with a £144,551 decrease.

Meeting, Winchester House, EC, September 5 at noon.

EDWARD JONES

It is proposed to change the name of Edward Jones (Contractors) to Edward Jones Group which would be a holding company.

Carrington Viyella pegs dividend after standstill

TAXABLE profits of Carrington Viyella were at a standstill in the first half after the textile manufacturer was hit by the transport strike and higher interest rates. The dividend rate has been pegged.

The surplus in the six months to June 30 1979 was static at £5.09m on turnover down from £158.1m to £156.7m. At the annual meeting following a year in which pre-tax profits had fallen from £16.1m to £14.5m Mr. L. Regan, the chairman, said he was looking for a first-half improvement.

In the latest half-year figures Consolidated Textile Mills, Canada (CTM) has been included as an associate rather than a subsidiary following a reduction in the group's holding from 61.7 per cent to 49.7 per cent.

The chairman now says that the volume of exports has been maintained but sterling's strength has reduced profits on the export business.

After adjusting for CTM, external sales rose 9.6 per cent at £156.7m including direct exports from the UK up 7.5 per cent at £21.5m.

The benefits from the acquisition by the Canadian company has exceeded expectations, says Mr. Regan, and the South African company has again increased its contribution.

	1979 £000	1978 £000
External sales	156,707	158,085
Trading profit	7,196	7,855
Associated profits	1,479	133
Interest payable	3,585	2,894
Profit before tax	5,090	5,094
Tax	1,349	1,155
Profit after tax	3,741	3,939
Exchange losses	65	254
Minority interests	—	204
Pref. dividend	256	256
Attributable	3,420	3,225
Cost of dividend	1,271	1,212

But he warns that higher VAT and interest rates and level of inflation with the expected U.S. recession will affect trading. Because of this the Board has decided to maintain the interim dividend at 0.7p net which, after allowing for the tax credit change is equal to last year's 0.6688p.

The payment for 1978 was 2.35p, and this year's total will be considered in the light of the results and the outlook at the year-end.

Stated earnings per 25p share before exchange losses are 1.92p (1.93p).

● **comment**

Carrington Viyella's pre-tax profits are unchanged, which seems mildly disappointing given that the comparable period was fairly depressed. Industrial unrest in the early part of the year could have cost the group £1.3m, interest charges are £1.1m up and the movement in sterling bit into export margins. In addition the carpet side has swung heavily into the red, losing perhaps £1m in the first six months, and the Italian operation, which lost £500,000 last year, shows no sign of improvement. Against this the U.K. fabric side has been doing well on the back of the consumer boom and the Canadian company has "exceeded expectations." As for the second half Carrington is being suitably cautious and the interim dividend has not been increased. At 24½p the shares are supported by a yield of just over 14 per cent.

Woolworth up in first half

PROFITS BEFORE tax of F. W. Woolworth and Co. increased from £12.59m to £16.26m in the six months ended July 31, 1979, on turnover (excluding VAT) of £393.1m against £358.17m.

At the end of the first quarter, pre-tax profits had shown a rise of 35.7 per cent to £7.51m on turnover up 12.9 per cent at £200.66m. The directors said then that projections indicated an increase in annual profit.

They now say that since the start of the new VAT rates there has been a reduction in the turnover increase compared with corresponding figures last year—of which a small effect has fallen within the last quarter.

The reduction of food in the sales mix together with the continued development of clothing and other new merchandise areas has enabled trading profit to show a 37.8 per cent increase over the six months.

Consumer spending has shown some curtailment over recent weeks due in part to the uncertainties of the economic climate since the Budget, but the Board is expecting an upturn in sales as the year progresses, culminating in good Christmas business.

First half tax charge is £6.51m against £4.57m giving earnings per share of 2.58p compared with 2.12p. The interim dividend is lifted from 1.225p to 1.3475p—last year's total was 4.47p from pre-tax profits of £52.61m.

The pre-tax profits is struck after depreciation on fixed assets of £4.99m (£4.11m). Interest paid less received £3.67m (£1.88m), but includes rent income of £715,000 (£643,000), and surplus on property disposals excluding sales and leaseback last time of £357,000.

A deduction for foreign currency differences of £980,000 (£220,0000) has been made after the post-tax profit leaving a net profit for the period of £8.78m against £7.8m.

The new accounting policy for tax as stated in the last annual accounts, has been adopted and comparisons are restated.

● **comment**

The pleasing improvement in profit margins brought about by the shift in sales mix away from the competitive foods sector has continued at Woolworth, where second quarter trading profit reached 6.4 per cent of sales against 5.1 per cent in 1978. Inevitably the move out of food has involved some loss of overall sales volume, but it is still disappointing that in a quarter when retail sales volume in the UK was 5 per cent above the previous year, Woolworth's cash sales should only rise by 7.3 per cent. Much of the consumer boom seems to have passed Woolworth by, and the company is warning that the third quarter will be a difficult one; as usual, everything hangs on the Christmas quarter, which this year will receive a boost from teh October tax rebates. There is still plenty of room for profits growth at Woolworth, but the 9¼ per cent prospective yield at 77½p indicates that progress is expected to be stately rather than spectacular.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Charles Clifford Industries, Corah, Dares Estates, First Scottish American Trust, International Investment Trust, Gt F. Lovell, Norvic Securities, Royal Dutch Petroleum, Royal Insurance, Shell Transport and Trading, Transport Development, Bernard Wardle, Woodhouse and Rixson.

Finals: A. and J. Gelfer, McLeod Russel, Malaysia Rubber, Louis Newmark, Scottish, English and European Textiles, Scottish Investment Trust, Surmah Valley Tea.

FUTURE DATES

Interims—	
Carpets International	Sept. 12
De Beers Consolidated Mines	Aug. 21
De Beers Industrial	Aug. 21
Home Counties Newspapers	Sept. 5
Lec Refrigeration	Aug. 20
Spear and Jackson Intnl.	Sept. 24
Tiger Oats and Nat. Milling	Aug. 21
Yorkshire Chemicals	Sept. 6
Finals—	
Aeronautical and Gen. Instruments	Aug. 23
Brown Brothers	Aug. 30
Howard Tenens Services	Aug. 24
Nolton	Aug. 20

Dreamland expands and orders remain buoyant

PRE-TAX profits of Dreamland Group expanded from £254,000 to £425,000 for the first half of 1979 on turnover of £3.67m against £2.49m. And the directors are confident that given the stability of normal trading conditions, the group will achieve record results for the full year.

For the whole of 1978 record profits of £1.15m (£704,000) were reported and further significant advances in sales and profits were envisaged for the current year.

The interim dividend is increased from 0.45p to 0.7p net per 10p share and a minimum 1.5p final is forecast (0.9687p). Earnings are shown as 1.9p (1.62p) per share.

Prospects for the second half of the year are encouraging Mr. F. R. Williams, chairman, says. The level of orders for electric over and underblankets in the home and export markets remain buoyant, and Alarmline (fire detection systems) should show further significant progress.

The improved performance in the first half should not be interpreted as being directly indicative of the level of future profits in any one period, Mr. Williams states, since it also reflects the benefit of the change in the group's trading pattern towards a more even spread in demand for products throughout the year.

	Six months 1979 £000	1978 £000
Turnover	3,673	2,486
Profit before tax	425	254
Taxation	221	80
Profit after tax	204	174
Dividend	75	46

Export deliveries during the six months showed a substantial increase over last year and at the end of June the export order book was well in excess of the total for 1978, the chairman says.

Some nine per cent of turnover stemmed from exports, particularly to Europe.

● **comment**

Dreamland's two-thirds profits rise, while impressive, must be seen in the context of a changing trading pattern where sales are now spread more evenly over the year. In the past the company's marketing was directed towards the "lumpy" demand of the wholesalers but today, about 60 per cent of the group's sales go to direct retail groups which buy throughout the year. Nevertheless, underlying growth on the electric blankets side is strong, exceeding the national sales increase of roughly 5 per cent per annum. The latest results also reflect continuing penetration into overseas markets, in spite of the strong pound. The heavy investment into Alarmline—a fire detection system—is still taking time to bear fruit and the company only hopes to break even at the year end. For the future overseas markets probably represent the biggest growth area while home demand should continue its steady progress. Around £1.4m profit could be possible for the year which puts the shares, at 52p, on a prospective p/e of 6.3 while the yield is boosted to just over 6 per cent—a rating in line with the household goods sector.

J. Webb ahead and confident

AFTER A strong performance from the holidays and entertainment side Joseph Webb and Co. lifted pre-tax profits from £479,595 to £528,483 in the year to March 31, 1979. Turnover was ahead from £3.26m to £3.99m.

An increase was forecast at midway when the taxable surplus had risen slightly from £237,763 to £243,398.

The directors say the level of bookings for the 1979 season is again on the increase and augurs well for an overall rise in group profits for the current year.

They add that they are looking for further acquisitions, particularly of holiday parks and of companies operating in this field. The right kind of site is continually being sought to assist in maintaining the growth of the company's leisure interests.

A final dividend of 0.4308p net raises the total from an adjusted 0.538p to 0.5621p. The group is again proposing a scrip issue—this time of one for eight. Stated earnings per 5p share are up from 1.2p to 2.7p.

Of the turnover figure, £3.56m (£2.79m) relates to the holiday and leisure interests which lifted trading profits from £268,985 to £484,703. This reflects an overall improvement in booking levels and includes the increased capacity from acquisitions.

The property and investment side increased the surplus from £96,387 to £109,237 which was mainly due to rental reviews on industrial lettings. After further land sales the estate development division turned in a reduced contribution of £187,035, against £292,655.

	1979 £	1978 £
Turnover	3,987,752	3,258,175
Trading profit—		
Holidays	484,703	268,985
Property invest.	109,237	96,387
Estate devpts.	187,035	292,655
Interest payable	252,492	178,432
Profit before tax†	528,483	479,595
Tax	3,955	237,230
Net profit	524,528	242,365
Dividends	103,336	83,693

† After charging depreciation based on SSAP 12, previous year adjusted.

Worthington profit lower

With second-half profits falling from £146,241 to £57,039, A. J. Worthington (Holdings) finished the year to March 31, 1979, with the taxable surplus down from £297,441 to £213,639.

Turnover of the textile products manufacturer was marginally higher at £1.87m, against £1.84m. Tax took £94,619 (£139,334) — comparisons have been restated for deferred tax and last year's charge has been reduced by £14,500.

The net final dividend of 0.553p lifts the total from 0.786p to 0.873p. In February, there was a one-for-one scrip issue and consolidation of 5p shares into 10p shares. Earnings are shown lower at 5.86p (7.75p).

Retained profit came through at £102,341, compared with £141,469.

TMG profit tops £1m

Including Massey-Ferguson (Eire) acquired on April 1 this year, profits before tax of the Dublin-based TMG Group increased sharply from £651,000 to £1.08m in the first half of 1979. Turnover jumped from £10.55m to £19.04m.

The directors say the second quarter showed a large improvement on the first quarter and they look forward to further substantial progress in the second six months.

First half tax charge is £319,000 (£157,000) giving earnings per share of 7.9p against 5.57p. The interim dividend is effectively raised from 2.133p to 2.844p and the Board intends to increase the final payment by one-third.

Last year a total dividend equal to 6.1725p was paid. The group trades as an iron founder, engineer and merchant.

LCP 40% up in first quarter

At the AGM of LCP Holdings Mr. D. M. Rhead, chairman, told shareholders that turnover and profits, subject to tax, based on unaudited management accounts for the first quarter to June 30, 1979, were 40 per cent greater than for the same quarter last year.

However, although the group was ahead of its budget during the first quarter, with the present high level of interest rates, the impact of inflation and the uncertain economic climate, it was not possible to be more than cautiously optimistic of the outcome for the remainder of the year.

The level of dividend increase for the current year will be considered in the light of the first six months performance to be announced in November.

Evode making up shortfall

DESPITE a reduction in the overseas deficit, the severe winter and national industrial problems last January left taxable profits of Evode Holdings down, as expected, at £322,311 for the 26 weeks ended March 31 1979 against £371,844 previously. Turnover rose from £11.65m to £12.98m.

Much of the leeway is being made up and Mr. A. H. Simon, the acting chairman, anticipates that results for the full year will compare not unfavourably with 1977-78.

For that year pre-tax profits were £1.34m (£1.48m record) on a £26.8m (£23.2m) turnover. The directors then warned of a shortfall in first half results.

	26 weeks 1978-79 £	1977-78 £
Turnover	12,980,265	11,648,539
UK	11,113,921	9,833,300
Overseas	1,866,334	1,815,239
Profit before tax†	322,311	371,844
UK	349,584	425,824
Overseas loss	30,757	59,482
Associated	3,484	5,502
Taxation	76,504	194,012
UK	75,600	192,812
Overseas	904	—
Associated cos.	—	1,200
Net profit	245,807	177,832
Dividend	67,649	52,279
Retained	178,158	125,553

† After £5,487 waiver.

Having regard to current trading conditions and future prospects, the directors announce an interim dividend of 0.425p (0.3629p) net per 20p share, a 12.1 per cent increase. Last year's final payment was 0.7964p.

Since March 31 the sale of Drecona Industries, its Canadian subsidiary, has been completed. And an agreement to dispose of its main interest in Société Chimique Emfi, of France, has been entered into.

Mr. Simon says provisions made in the last annual accounts should be sufficient to cover this transaction.

Results of both companies have been eliminated from the six months figures, and from comparatives.

Evode manufactures adhesives, jointing compounds, etc.

● **comment**

The interim results from Evode are disappointing but not entirely unexpected. Pre-tax profits are 13.3 per cent lower on turnover which is 11.4 per cent higher. There are several reasons for this, among them the disruption caused by the transport strike and the harsh winter weather. In addition, Evode is tied to the building industry (its main product is adhesives used in construction) and suffered from the inertia of that sector in the first three months of this year. But there are other problems. Ever since the death of the group's founder last September, the Board has been seeking ways to streamline Evode, selling off its Canadian subsidiary and reducing its interests in the loss-making French subsidiary to 10 per cent. Finally, the group has turned down a spate of bid offers, including a 61p per share offer from Donald Macpherson. The shares now stand at 41p and the interim dividend is only increased by 12 per cent. The recent drop in the share price may cause concern among shareholders, as might the recent internal board dispute over the various bids. But the group believes that it can bring pre-tax earnings back to 1978 levels by year end.

Garford-Lilley shows increase

For the year ended March 31, 1979, Garford-Lilley Industries is raising its dividend from 0.8p to 1p per 5p share, the final being 0.825p.

Group activities comprise general engineering, the manufacture of plastic extrusions and mouldings, and wood working. Turnover for the year rose from £4.24m to £5.04m and profits improved £31,790 to £438,373.

After tax £229,408 (£215,981), net profit was £208,965 (£190,602), for earnings of 3.17p (2.59p).

York Trailer improving

PROFITS before tax of York Trailer Holdings were down from £861,000 to £803,000 in the six months ended June 30, 1979. At the end of the first quarter a loss of £80,000 was incurred compared with £515,000 profit in the same period last year.

Mr. F. W. Davies, chairman, describes the half year result as dismal but says although exports suffered both as to volume and profit, the overall order position is at a most satisfactory level.

Indications are that all the group's plants and branches will be working to capacity for the balance of the year—the present improving trend should continue the chairman adds.

First half earnings per share are stated as 1.49p against 5.28p and the directors have cut the interim dividend from 1.196p to 1.375p. Last year the total payment was 2.392p on pre-tax profits of £1.15m (£2.74m).

Sales amounted to £17.97m against £16.85m. Tax takes £61,000 (£202,000) leaving net profits at £242,000 compared with £659,000.

The group is a subsidiary of York Transport Equipment which is in turn 75 per cent owned by Northants Investments of Ontario, Canada.

• comment

York Trailer's second quarter profits are up by just over a tenth but the group will have to run very hard to stand still this year. The problems of the first three months, which suffered a deficit of £80,000, are well known but while the order book looks sufficient to guarantee full capacity working throughout the rest of 1979, York must cope with the effects of currency exchange losses and, probably more important, the new found pricing edge enjoyed by overseas (notably U.S.) competitors. At the end of May, for example, exports amounted to £2.3m from total sales of £15m. The comparable figures for the same period in 1978 were £4m and £14m respectively. The group appears confident of maintaining reasonable cover for a 10 per cent dividend rise this year which implies a supportive yield of just under 9 per cent at 44p, up 3p yesterday.

Reliance Knitwear setback

REDUCED margins, strikes and bad weather hit second half profits of Reliance Knitwear, and the taxable surplus fell from £817,370 to £530,884 in the year to April 30, 1979. But the directors say the current year has started well, and first-half results should be good.

At midway, the surplus was lower at £350,000 (£391,000). The directors said then that results in the early months of 1979 would suffer because of reduced turnover, shortage of supplies and high absenteeism. The group was well placed to meet the difficult conditions and they remained confident about long-term growth prospects.

Turnover for the year was £15.67m, against £14.94m. Tax took £143,594 (£111,350)—there was an exceptional tax credit of £343,570 last time.

There is an extraordinary debit of £112,818 (£404,691) arising from final closure costs of Reli-Knit and James Macfarlane (Kilmarnock), and compensation to directors for loss of office.

The net total dividend is raised from 3.21p to 3.689p, with a 2.149p final. Earnings per 20p share are given as 5.66p (11.66p).

Profits include small contributions from Cynat Products and Ultimate Equipment acquired during the year.

MINING NEWS

Uranium boom in mid-1980s

BY KENNETH MARSTON, MINING EDITOR

A BULLISH long term view of uranium demand prospects comes from Mr. I. J. Duncan, business manager of Australia's **Western Mining** which owns 75 per cent of the Yeelirrie uranium venture in Western Australia and is partnered by **British Petroleum** in the huge Olympic Dam copper-uranium-gold prospect at Roxby Downs in South Australia.

Speaking at a mining industry conference in Perth, Mr. Duncan said that the world would require increasing quantities of Australian uranium from the mid-1980s onward. Without Australian uranium, he added, there would be a significant supply shortfall despite recent discoveries in Canada and elsewhere.

However, he reckoned that until 1985 world production would be likely to meet demand. Indeed, the uranium market has already begun to soften this year after its long advance. Prices for uranium oxide on the spot market have come back from $47 per lb to around $42 per lb.

One wonders, in fact whether this cooler short-term outlook for uranium was a factor in the decision, reported yesterday, of **Denison Mines**, Canada's second largest uranium producer, to bid U.S.$525m (£235m) for America's **Reserve Oil and Gas.** It is a reversal of the normal trend these days for oil companies to move into the mining energy scene.

However, Mr. Duncan said that existing stocks of uranium oxide were expected to remain in the hands of utilities and consuming governments and not have a great influence on the future market.

He considered that uranium demand in the late 1980s through to the 1990s would be strong, supporting the growth in all sectors of the nuclear fuel industry and particularly the growth of that in Australia.

Mr. Duncan thought it logical to consider Australia as a likely place for further processing of uranium in the long term, but he thought that the country should not enter the industry prematurely while there was a world over-capacity. It would seem, however, that there is little danger of such a premature entry if Australia's strong anti-nuclear lobby has anything to do with it.

Northgate has good quarter

CANADA'S *Northgate Exploration* group whose mining operations are principally in Ireland, Canada and Australia, has had a notably buoyant second quarter. Net income has surged forward to C$4.04m (£1.54m), or 59 cents per share, compared with only C$209,000 in the same period of last year.

Earnings for first half 1979 are brought up to C$5.28m, or 77 cents per share, against C$565,000, or 8 cents, a year ago. Higher metal prices have been the main reason for the advance, of course, that for lead having risen 156 per cent, silver 76 per cent and zinc 57 per cent.

In addition, production was higher as a result of better ore grades and metal recoveries. But regular output at the Tynagh mine in Ireland did not get under way until late February following the settlement at the end of 1978 of the six-month labour dispute.

Northgate warns, however, that current quarter's earnings will fall short of the high levels of the previous three months. This is because of a fall in the planned mill tonnage and ore grades coupled with the prospect of less buoyant metal prices. Northgate Exploration shares were 10p down at 345p in London yesterday.

Rio Algom sues TVA

AMERICA'S **Tennessee Valley Authority** is being sued in the Supreme Court of Ontario by the **Rio Tinto-Zinc** group's **Rio Algom** for damages of C$600m (£229m) for breach of contract.

This latest move in the dispute between Rio Algom on the one hand and TVA and **Westinghouse Electric Corporation** on the other follows the alleged repudiation by TVA of its 1974 agreement to buy 17m lb of uranium oxide from Rio Algom over the years 1979 to 1990.

As a result of the TVA contract and other long-term deals Rio Algom embarked on a major expansion at its Elliot Lake uranium operations which is now virtually completed. Last month, however, Rio Algom announced that it had been informed by TVA that the latter was taking action in the U.S. to void the contract.

Furthermore, it was stated that Westinghouse Electric had obtained a preliminary injunction in the U.S. restraining TVA from making the first payment in Canada of US$22.7m (£10.2m) to Rio Algom which was due in July for a delivery of 500,000 lb of uranium oxide, the material having been sent to Eldorado Nuclear for refining into uranium hexafluoride for TVA.

The money is required to be paid into an escrow account in the U.S. Rio Algom replied that if TVA refused to accept the terms of the contract it would seek other markets for the uranium "while pursuing all appropriate legal remedies."

Rio Algom considered that the injunction was obtained by Westinghouse as part of its anti-trust litigation in the U.S. against Rio Algom and 28 other international uranium producers. It is also believed that TVA and *Rio Algom were in dispute over* the periodic renegotiation of prices allowed under the terms of the contract.

BILLITON JOINS TUNGSTEN-MOLY MINING VENTURE

Billiton Exploration Canada has agreed with **Brunswick Tin Mines** to proceed on a joint venture basis with development of the Mt. Pleasant tungsten-molybdenum property in New Brunswick.

Brunswick Tin is 89 per cent owned by the **Sullivan** mining group and 11 per cent owned by **Mount Pleasant Mines.** Billiton is a wholly-owned subsidiary of **Billiton, part of the Royal Dutch Shell** group.

Billiton will arrange the financing of this C$80m (£30.5m) project and will be appointed as *operator, providing project* management and technical services.

ERF warns on engineers dispute

A WARNING of the effects of the engineering dispute, on ERF, Britain's biggest independent producer of heavy lorries, was given by Mr. Peter Foden, the chairman, at the annual meeting.

He said the dispute had cost a 20 per cent production loss, and there was a risk of more to come.

Mr. Foden added that it was giving overseas competitors the opportunity of taking a bigger share of the market.

The UK market for heavy trucks remained buoyant, he reported, and ERF's production had increased to a record 16 vehicles a day, a capacity covered by firm orders over the next six months.

Mr. Foden hit out at the "anti-lorry lobby" and said the economic advantages of heavy trucks far outweigh the disadvantages.

"The disadvantages have largely been eliminated through modern design resulting in a substantial reduction of noise and pollution with an increase in safety."

He hoped the committee of inquiry into the impact of heavy vehicles on the environment recently set up by the Minister of Transport, Norman *Fowler, would answer the critics* once and for all.

Mr Foden pointed out that the EEC had accepted in principle that heavy goods vehicles do have a significant bearing on economic growth, and he hoped *the member states would soon* agree on common weight regulations.

He added that increased vehicle weights would help save fuel and cut costs.

Heavier vehicles would significantly reduce fuel consumption simply because there would be fewer vehicles carrying greater loads. There would also be a corresponding reduction in transport costs.

Current vehicle weights are restricted to 32 tons. EEC recommendations would raise this to 38 tons.

Mr. Foden said that during the year ended March 31, 1979 ERF had increased its turnover by 21 per cent to £68.19m. After-tax profits at £3.22m were marginally ahead of £3.1m in 1978.

Vehicle production at the company's new plant at Wrexham was scheduled to begin in early 1981. The new plant would provide valuable expansion space as the limits had been reached at the Sandbach works. ERF plans to extend its range to meet demand for a quality medium range truck.

NO PROBES

The following mergers are not to be referred to the Monopolies and Mergers Commission: Berry's Rebar Components and Celmac Plasclip; W. H. Smith *and Son (Holdings) and D. H.* Scott and Son, GEI International and Sanderson Kayser.

W. Turner advances midterm

TAXABLE PROFITS of W. and E. Turner, multiple retailer of footwear, hosiery and handbags, expanded from £278,291 to £475,053 in the first half of 1979, *on increased turnover of £6.61m,* against £5.24m.

The net interim dividend is doubled to 0.8p (0.4p) — last year's total was 1.4p, paid from record profits of £1.37m.

Tax for the half-year took £267,000 (£157,000), giving earnings per 10p share of 2.01p, compared with 1.17p.

Pre-tax profits were struck after depreciation of £145,739 (£126,605).

Alexanders sees strong recovery

Due to the strike at Ford Motor Company the directors of Alexanders Holdings, Ford main dealer, *say there was a setback in trading during the six months* ended March 31, 1979, but a strong recovery is expected in the second half.

On turnover down from £13.7m to £12.5m pre-tax profits for the period were little changed at £246,000 against a previous £239,000. Profit for the whole of 1977-78 was a record £560,000.

Mr J. B. T. Loudon, chairman, says that the nine-week strike at Ford had its inevitable effect on profits, but since March the supply of vehicles has improved, and, along with further profits from the sale of property surplus to requirements, will be reflected in the annual accounts.

The company is expanding facilities at its new commercial vehicle premises in Edinburgh where a new dealership, at Fountainbridge, is being planned.

The paint and panel beating business in the Kirkintilloch area has also been extended.

Again there is no interim dividend the policy in recent years has been to make scrip issues at the year end.

Profit for the six months included an extraordinary credit of £36,000 (after tax of £25,000) being the surplus on the sale *of two properties. Last time the* profit included a £179,000 loss on the sale of investment in the Dutch subsidiary, and £43,000 profit (after £71,000 tax) from the sale of the Huddersfield property.

Earnings improvement and higher dividend at Dale

ON TURNOVER of £25.11m, Dale Electric International achieved a pre-tax profit of £3.31m for the year to April 30, 1979. For the previous 16 months the figures were £22.61m and £3.43m respectively.

At the interim stage, when a profit jump from £1.1m to £1.91m was reported, the directors said their forward view was guardedly optimistic, although there might be some pressure on margins as international competition tightened.

They now say that margins are indeed reduced and they expect this trend to continue in the current year.

The net final dividend is 4.125p making a total of 5.525p compared with 3.668p for the 16 months.

● comment

Pre-tax margins have slipped by two points at Dale Electric but shareholders may still be smiling. Profits are up by almost 30 per cent and the total dividend by 50 per cent on an annualised basis. Dale has weathered a recession in the industry and export market traumas better than most — Petbow's full year profits were more than halved last year. The explanation lies in its custom-design products, which account for the majority of sales. Margins on standard alternators, by contrast, were slashed. Even given this insulation, Dale will have to work hard to maintain a stated p/e of over 11 at 134p. Last year's figures were flattered by a £1.2m contribution from Houchin, which compares with £500,000 for six months of the comparable period, order books are down by 26 per cent — reflecting shorter delivery times — and interest charges have more than doubled to around £400,000. The yield of 4.5 per cent is improved but hardly spectacular.

BIDS AND DEALS

Tight finish for Bestobell

Both sides in BTR's £29m struggle to acquire Bestobell produced some late flourishes yesterday, and Friday afternoon's result is likely to be close.

BTR yesterday urged shareholders to accept the increased offer and said the bid, worth 220p for the cash alternative, had a value of 238p under the share exchange offer. This was based on Monday's closing price for BTR of 325p.

Yesterday, BTR's shares closed at 323p, valuing the share offer —11 BTR shares for 15 of Bestobell—at just below 237p. During the course of the bid, BTR has raised its holding to nearly 30 per cent.

With both protagonists expecting the outcome to be close, much will turn on the attitude of the institutions, who collectively own 55-60 per cent of Bestobell.

Britannia Assurance, the largest holder with 10 per cent, has already said it will stay in thte Bestobell camp. Mr. Sandy Marshall, chairman of the company, said yesterday that "there is no evidence that any major institutions in Bestobell are supporting BTR."

BTR has stressed that its latest offer is final and says it remains confident of the result. There has been a steady flow of acceptances from smaller shareholders and the company says it is hopeful of institutional response.

Mr. Marshall reiterated the BTR terms put too low a value on Bestobell.

HALL BROS. SET FOR LIQUIDATION

Hall Brothers Steamship is taking the road to liquidation after selling off the last of its vessels, the MV White Crest, for £430,000.

The profit over book value of this and the recent £427,000 sale of the MV Bretwalda is a combined £150,000, which Hall says must be weighed against foreign exchange losses of some £160,000 arising on the repayment of the mortgages on these vessels.

The announcement that the Hall board would now be recommending voluntary liquidation left both the ordinary and "A" shares at a nominal 90p against overnight levels of 120p for the ordinary and 100p for the "A." This capitalises the company at £450,000, compared with the issued capital of £500,000.

Shiristar Container Transport, a private company, recently announced the purchase of more than 14 per cent of the Hall shares. Hall incurred a loss of £176,000 in the half-year to February 28.

CATTLE'S BUYS RETAIL CHAIN

Cattle's (Holdings) has reached agreement for the acquisition of Rosebys, Sheffield-based retailers of household textiles and soft furnishing, for a total of £1.22m.

The agreed consideration is made up as to £480,000 cash and the issue of 2.1m ordinary shares. Profits before tax of Rosebys for the year ended March 31, 1979 amounted to £310,000.

Unaudited net assets at March 31, 1979 totalled £904,000 and a subsequent valuation of Rosebys leases has produced a surplus of some £150,000.

CLYDE PETROLEUM

Clyde Petroleum, which proposes to acquire the remaining 70.1 per cent of Dr. Colin Phipps and Partners, is valuing this outstanding slice of the petroleum consultancy at £1.09m.

This is based on the figure of £1.55m calculated for the full value of the partnership and the acquisition sum would be met by the issue of 806,444 deferred shares. A value of 135p has been attributed to the deferred shares in working out the offer, the company says in the acquisition document.

Dr. Phipps and Mr. S. D. Rendall, directors of the partnership, have been on Clyde's board since it was founded in 1973. The partnership's directors have agreed to the offer.

Unigate plans full range of products

Net assets of Unigate will rise from £286m to nearly £305m as a result of the £87m sale of 16 creameries to the Milk Marketing Board.

In the formal sale document, Unigate says that the proceeds —a net £70.4m after deduction of a £16.3m loan to a leasing associate, repayable within seven years—will be used in its meat products, liquid milk and other businesses.

Mr. John Clements, the chairman, says the company aims to develop the sale and distribution of a full range of branded and own label dairy products.

Unigate's stocks will fall from £119.3m to £87.5m after the deal is completed on August 18, according to a pro-forma balance sheet contained in the document. Fixed assets will total £128.5m against £153m before the deal.

LEX $6M U.S. ACQUISITION

Lex Service Group has acquired Motor Rim and Wheel Service Incorporated for $6.1m in cash. The acquisition price, together with debt on acquisition of $2.2m, is to be financed in dollars on a long-term basis.

Motor Rim are specialists in the distribution of wheels, brake components, axles and related under-chassis parts, primarily for commercial vehicles, and operates from seven locations in California and one in Arizona. Sales turnover for 1978 was $40m and pre-tax profit $1.5m.

IAS CARGO

An extraordinary meeting of I.A.S. Cargo Airlines has aproved I.A.S. ...Cargo ...Airlines... has approved the acquisition of Transmeridian Air Cargo from Cunard Steamship. A meeting also approved that I.A.S. will change its name to British Cargo Airlines with effect from August 20. Previous I.A.S. shareholders now own 65 per cent of the capital in British Cargo Airlines and Cunard the balance.

SHARE STAKES

Arthur Guinness Son and Co.—Earl of Iveagh, director, has disposed of 24,000 shares from his personal holding to trustees of his marriage settlement for £46,560. Lady Iveagh has a beneficial interest.

George Ingham and Co. (Holdings)—G. C. Robinson, director, has purchased 30,864 ordinary at 6p bringing his holding to 49,045 (2.45 per cent).

French Kier Holdings—J. C. S. Mott, director, has bought 50,000 ordinary at 33p.

Hiltons Footwear — Following are directors' holdings compared with previous holdings: J. G. Hilton 214,327 shares (144,885); J. D. Hilton 72,276 (48,184); M. C. Hilton 673,941 (436,041); C. B. Hilton 101,640 (65,760); S. P. Hilton 258,248 (170,832); E. M. Rowley 2,850 (1,900); L. T. Kendrick nil (same). Lloyds Life Assurance holds 347,520 (231,680).

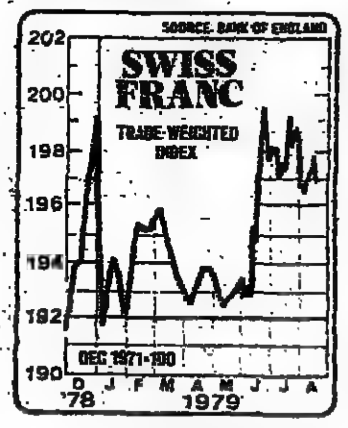
Mercantile House Holdings — Britannia Arrow Holdings bought 110,000 shares between August 8 and 13, and now holds 385,100 (7 per cent).

Lesney Products. I. T. C. Pension Trust jointly with I. T. C. Pension Investments are interested in 17,825 ordinary shares (0.06 per cent) and 215,720 restricted voting ordinary shares (10.786 per cent).

Malaysiam Tin. C. G. De Lisle Bush, director, and immediate family, has acquired 65,000 shares (10.915 per cent).

Dollar and pound steady

TRADING WAS fairly active in the foreign exchange market yesterday, with the dollar slightly firmer against most other major currencies. Paris, Milan and Brussels were closed for Assumption Day, but trading among other European centres was quite good. Sterling opened at $2.2300-2.2310 and rose to $2.2400 at noon. It touched $2.2470-2.2480 in the early afternoon as commercial demand for the pound continued. Towards



the close sterling fell to $2.2315-$2.2325 however, and closed at $2.2320-2.2330, a rise of 5 points on the day. The pound's trade-weighted index, as calculated by the Bank of England, was unchanged at 71.2, after standing at 71.3 at noon and 71.1 in the morning.

The dollar's index, on Bank of England figures, rose to 84.7 from 84.6. In the afternoon the U.S. currency was helped by news of higher U.S. interest rates, as the Federal Reserve tightened credit by pushing up the Federal funds rate, and Chase Manhattan Bank raised its prime lending rate to 12 per cent from 11¾ per cent.

The dollar rose to DM 1.8335 against the D-mark from DM 1.8320, after touching a high point of DM 1.8355. In terms of the Swiss franc, the U.S. currency improved to SwFr 1.6585 from SwFr 1.6560.

FRANKFURT—The dollar was fixed at DM 1.8298 against the D-mark, compared with DM 1.8334 previously. Trading was very quiet, and the Bundesbank did not intervene. Several European centres, as well as some Catholic areas of Germany, were closed for a religious holiday, and the dollar moved within a narrow band of DM 1.8285 to DM 1.8303 up to the fixing. Tuesday's meeting of the U.S. Federal Reserve open market committee had little impact, since it was too soon to tell whether credit conditions had been tightened. Sterling was firm, and was fixed at DM 4.0960, close to the upper limit of its recent range against the D-mark.

ZURICH—Trading was quiet, with several European centres closed. By mid-morning the dollar was unchanged from its opening level of SwFr 1.6545 against the Swiss franc, down slightly from the previous closing rate of SwFr 1.6560.

TOKYO—The dollar showed little change in thin trading, closing at Y216.80 against the yen, compared with Y216.85 previously. There was no news to affect the market, and the U.S. currency moved within a narrow range throughout, touching a low point of Y216.63. It closed around the best level of the day.

THE POUND SPOT AND FORWARD

Aug. 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2300-2.2480	2.2320-2.2330	0.72-0.62c pm	3.60	1.68-1.58 pm	2.90
Canada	2.6125-2.6330	2.6160-2.6170	0.58-0.48c pm	2.43	1.55-1.45 pm	2.29
Nethlnd.	4.47-4.52	4.49-4.50	2¼-1¾c pm	5.01	5¾-4¾ pm	4.78
Belgium	65.20-65.65	65.40-65.50	16-6c pm	2.02	40-30 pm	2.14
Denmark	11.75-11.82	11.77-11.78	1ore pm-1ore dis	par	2½-4½ dis	−1.10
Ireland	1.0860-1.0900	1.0875-1.0885	20-30p dis	−2.76	95-105 dis	−3.68
W. Ger.	4.07-4.11	4.09-4.10	3⅛-2⅝pf pm	7.69	8½-7½ pm	7.57
Portugal	109.00-110.00	109.15-109.45	50-110c dis	−8.78	120-220 dis	−6.22
Spain	147.30-148.05	147.45-147.55	195-245c dis	−17.90	550-650 dis	−16.27
Italy	1824-1833	1827-1828	3-1lire pm	1.31	½pm-1½dis	−0.11
Norway	11.18-11.26	11.20½-11.21½	4¼-2¼ore pm	3.48	10-8 pm	3.21
France	9.49-9.54	9.51-9.52	2¼-1¾c pm	2.52	5½-4½ pm	2.10
Sweden	9.41-9.46	9.42½-9.43½	3½-1½ore pm	3.18	7½-5½ pm	2.86
Japan	480-488	483½-484½	3.45-3.20y pm	8.24	9.85-9.55 pm	8.01
Austria	29.80-30.00	29.85-29.90	23-13gro pm	7.23	68-48 pm	7.10
Switz.	3.68-3.71½	3.70-3.71	4½-3½c pm	12.55	12-11 pm	12.42

Belgian rate is for convertible francs. Financial franc 67.85-67.95c pm. Six-month forward dollar 2.73-2.63c pm. 12-month 4.70-4.60c pm.

THE DOLLAR SPOT AND FORWARD

Aug. 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2300-2.2480	2.2320-2.2330	0.72-0.62c pm	3.60	1.68-1.58 pm	2.90
Ireland†	2.0615-2.0810	2.0560-2.0610	1.40-1.30c pm	7.57	3.28-3.03 pm	6.13
Canada	1.1725-1.1736	1.1733-1.1736	0.03-0.06c dis	−0.46	0.03-0.07dis	−0.17
Nethlnd.	2.0098-2.0140	2.0120-2.0140	0.38-0.28c pm	1.97	1.0-0.90 pm	1.89
Belgium	29.26-29.31	29.29-29.31	2-4c dis	−1.23	3-5 dis	−0.55
Denmark	5.2710-5.2755	5.2740-5.2755	1.25-1.75ore dis	−3.41	5.25-5.75dis	−4.17
W. Ger.	1.8298-1.8335	1.8325-1.8335	0.67-0.57pf pm	4.06	2.20-2.10 pm	4.69
Portugal	48.90-49.30	49.07-49.17	25-40c dis	−7.95	80-120 dis	−8.14
Spain	66.02-66.08	66.03-66.07	110-150c dis	−23.6	310-350dis	−19.98
Italy	817.80-820.0	819.0-820.0	1.20-1.70lire dis	−2.12	6.40-6.90dis	−3.25
Norway	5.0190-5.0210	5.0200-5.0210	0.15-0.35ore dis	−0.60	0.65-0.15 pm	0.28
France	4.2590-4.2635	4.2615-4.2605	0.15-0.30c dis	−0.63	0.65-0.80dis	−0.68
Sweden	4.2195-4.2215	4.2205-4.2215	0.20ore pm-par	0.28	0.30-0.50dis	−0.38
Japan	216.50-216.90	216.70-216.90	0.95-0.80y pm	4.84	2.85-2.70 pm	5.12
Austria	13.392-13.397	13.392-13.397	5.0-4.50gro pm	4.26	15.25-13.75pm	4.33
Switz.	1.6543-1.6582	1.6574-1.6582	1.34-1.29c pm	9.52	4.05-4.00 pm	9.71

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

August 15	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.580809	Unavail.
U.S. $	10	1.30048	"
Canadian $	11¼	1.52547	"
Austria Sch.	3¾	Unavail.	"
Belgian F.	9	"	"
Danish K.	[illegible]	6.85878	"
D Mark	5	2.37964	"
Guilder	[illegible]	2.61464	"
French Fr.	9½	Unavail.	"
Lira	10½	"	"
Yen	5¼	281.881	"
Nrwgn. K.	7	6.52716	"
Spanish Pes.	8	Unavail.	"
Swedish Kr.	7	5.48742	"
Swiss Fr.	1	2.15101	"

CURRENCY MOVEMENTS

Aug. 15	Bank of England Index	Morgan Guaranty changes %
Sterling	71.2	−34.1
U.S. dollar	84.7	−8.6
Canadian dollar	80.3	−17.5
Austrian schilling	148.4	+19.8
Belgian franc	114.1	+13.7
Danish kroner	115.6	+2.4
Deutsche mark	151.5	+42.0
Swiss franc	196.9	+81.0
Guilder	123.4	+18.6
French franc	98.9	−7.4
Lira	55.4	−48.6
Yen	131.8	+30.4

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

OTHER MARKETS

August 15	£	$		Note Rates
Argentina Peso	3107-3127	1390-1400	Austria	29-30
Australia Dollar	1.9780-1.9820	0.8830-0.8875	Belgium	67½-68½
Brazil Cruzeiro	59.33-60.33	26.55-27.00	Denmark	11.70-11.85
Finland Markka	8.52-8.53	3.8160-3.8210	France	9.40-9.55
Greek Drachma	n.a.	n.a.	Germany	4.04-4.14
Hong Kong Dollar	11.5125-11.5325	5.1545-5.1565	Italy	1,800-1,850
Iran Rial	157.08-166.06	70-74	Japan	480-490
Kuwait Dinar (KD)	0.609-0.619	0.2756-0.2757	Netherlands	4.44-4.54
Luxembourg Frc.	65.40-65.50	29.31-29.33	Norway	11.10-11.25
Malaysia Dollar	4.8125-4.8225	2.1540-2.1560	Portugal	105-110
New Zealand Dlr.	2.1960-2.2060	0.9835-0.9880	Spain	145-148
Saudi Arab. Riyal	7.44-7.55	3.3600-3.3605	Switzerland	3.65-3.75
Singapore Dollar	4.8025-4.8125	2.1520-2.1550	United States	2.23½-2.25
Sth. African Rand	1.8680-1.8780	0.8365-0.8410	Yugoslavia	43-46

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 14*	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	[illegible]	+2.49	+1.23	±1.53
Danish Krone	7.08592	7.29034	+2.88	+1.62	±1.635
German D-Mark	2.51064	2.52983	+0.76	−0.50	±1.1325
French Franc	5.79831	5.88025	+1.41	+0.15	[illegible]
Dutch Guilder	2.72077	2.77841	+2.12	+0.86	±1.5075
Irish Punt	0.662638	0.672515	+1.49	+0.23	±1.665
Italian Lira	1148.15	1130.15	−1.57	−1.57	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.
* August 15 rates unavailable due to religious holiday in parts of Europe.

EXCHANGE CROSS RATES

August 15	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.233	4.095	484.5	9.515	3.705	4.495	1826.	2.617	66.45
U.S. Dollar	0.448	1.	1.834	216.9	4.262	1.660	2.013	818.6	1.172	29.82
Deutschemark	0.244	0.545	1.	118.5	2.324	0.905	1.098	446.5	0.639	15.98
Japanese Yen 1,000	2.065	4.610	8.455	1000.	19.65	7.651	9.282	3774.	5.403	135.2
French Franc 10	1.051	2.346	4.304	508.9	10.	3.894	4.724	1931.	2.750	69.79
Swiss Franc	0.270	0.603	1.105	130.7	2.568	1.	1.213	493.5	0.706	17.67
Dutch Guilder	0.222	0.497	0.911	107.7	2.117	0.824	1.	406.6	0.582	14.56
Italian Lira 1,000	0.547	1.222	2.241	266.0	5.307	2.027	2.460	1000.	1.432	35.81
Canadian Dollar	0.382	0.853	1.565	185.1	3.637	1.416	1.718	698.5	1.	25.01
Belgian Franc 100	1.528	3.411	6.257	739.9	14.54	5.661	6.868	2732.	3.998	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 11.10-11.30 per cent; three months 11.20-11.30 per cent; six months 11.20-11.30 per cent; one year ——.

Aug. 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	n.a.	10⅞-11⅛	10½-11½	8½-8¾	½-⅝	6¼-6½	10¼-10⅝	10-14	—	4⅞-6⅛
7 days' notice	n.a.	10⅞-11⅛	10½-11½	8½-8¾	⅝-⅞	6¼-6½	10¼-10⅝	11-13	11-11⅛	5¼-5⅝
Month	n.a.	10⅜-10⅝	11⅛-11⅜	8⅝-8⅞	1¼-1⅜	6⅜-6⅝	11¼-11½	12½-13½	10½-10⅝	5⅞-6⅛
three months	n.a.	11⅛-11⅜	11⅛-11⅜	9⅛-9⅜	1⅛-1⅜	6⅜-6⅝	11¾-12	13¾-14¾	11⅛-11¼	6-6⅜
six months	n.a.	11¼-11½	11⅜-11¾	9¼-9¾	2¼-2⅜	6⅜-6⅝	12⅛-12⅝	14¼-15¼	11⅛-11⅜	6-6¼
one year	n.a.	10⅞-11⅛	11-11⅜	9-9¼	2⅛-2⅜	6⅞-7	12⅛-13⅜	14½-15½	10⅞-11	6-6⅜

Long-term Eurodollar: two years 9¾-10 per cent; three years 10¼-10½ per cent; four years 10¼-10½ per cent; five years 10¼-10½ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Signs of Fed tightening

The U.S. Federal Reserve acted to drain reserves from the banking system by way of overnight reverse repurchase agreements yesterday, with Federal funds at 10¾ per cent. The extent of any tightening of credit by the authorities remains shrouded in uncertainty, however, since the Fed was expected to raise its target rates for Fed funds—the uncommitted reserves lent between banks—at Tuesday's first open market committee meeting to be presided over by Federal Reserve Board chairman, Mr. Paul Volcker.

The target rate was presumed to be 10¾ per cent until Tuesday, following the last tightening of monetary policy on July 20. The present level may well be as high as 11 per cent, however, since anything lower is unlikely to be enough to sustain the dollar at its recent levels.

Action by the authorities in the market has suggested that a tightening of credit is likely, although the situation has been complicated by technical factors.

Federal funds touched 10 11/16 per cent on Tuesday, but declined when the central bank added reserves to the banking system at 10¾ per cent. Rates closed at 10¾ per cent. The picture was further clouded yesterday by weekly make up day for the banks. Federal funds were around 11 per cent in early trading, but it will probably be Thursday before it becomes clear what decisions were made at the open market committee meeting.

Several U.S. banks have raised their broker loan rates, thus increasing the cost of buying stock on credit, and the likelihood of another increase in prime lending rates. Chase Manhattan Bank led the way yesterday, raising its prime rate to 12 per cent from 11¾ per cent.

FRANKFURT — Call money rose to 6.80-7.00 per cent from 6.40-6.60 per cent and period rates were also firmer. One-month increased to 6.80-6.90 per cent from 6.50-6.60 per cent; three-month to 7.10-7.20 per cent from 6.90-7.00 per cent; six-month to .35-7.45 per cent from 7.25-7.35 per cent; and 12-month to 7.40-.50 per cent from 7.35-7.45 per cent.

GOLD

Firmer trend

Gold rose $3½ to close at $299¾-300¼ after an active day. It opened at $301¼-$302, and was fixed at $300.25 in the morning and $301.85 in the afternoon. The metal touched a low point of $298¾-299¼, and a best level of $303-303½.

In Frankfurt the 12½ kilo gold bar was fixed at DM17,660 per kilo ($300.16 per ounce), compared with DM17,260 ($293.16) previously.

	Aug. 15	Aug. 14
Gold Bullion (fine ounce)		
Close	$299¾-300¼ (£134.2-134.6)	$296¼-297 (£132.65-133)
Opening	$301¼-302 (£135-135.4)	$294¼-295 (£132.35-132.6)
Morning fixing	$300.25 (£134.268)	$293.00 (£131.638)
Afternoon fixing	$301.85 (£134.684)	$292.00 (£131.089)
Gold Coins, domestically		
Krugerrand	$308½-310½ (£138-139)	$306-308 (£136½-137½)
New Sovereigns	$77¼-79¼ (£34½-35½)	$76-78 (£34-35)
Old Sovereigns	$101¾-103¾ (£45½-46½)	$101¼-103¼ (£45¼-46¼)
Gold Coins, internationally		
Krugerrand	$308½-310½ (£138-139)	$306-308 (£136½-137½)
New Sovereigns	$77¼-79¼ (£34½-35½)	$76-78 (£34-35)
Old Sovereigns	$101¾-103¾ (£45½-46½)	$101¼-103¼ (£45¼-46¼)
$20 Eagles	$414-419	$409-414
$10 Eagles	$236-241	$231-236
$5 Eagles	$179-184	$174-179

UK MONEY MARKET

Adequate credit supply

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

Day-to-day credit was in adequate supply in the London money market yesterday, with conditions fairly quiet despite the fact that as the third Wednesday in the month it was make-up day for London banks.

The authorities did not intervene. Banks brought forward small run-down balances, but this was balanced by a slight fall in the note circulation, and a small excess of Government disbursements over revenue payments to the Exchequer.

Discount houses paid 13¾-14 per cent for secured call loans in the early part, with closing balances taken at 11-13½ per cent.

In the interbank market overnight loans touched a low point of 8 per cent, before closing at 12 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Aug. 15 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	8-14⅛	—	—	—	14⅜	11-14	—	—	—
2 days notice	—	—	14-14½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13⅞-14⅛	14-14⅛	—	14⅝	14⅜	13¾	—	—	—
One month	14⅛-14⅛	14⅛-14⅛	14-14¼	15-14⅝	14⅝	14⅛	13⅞	13⅝-13¾	14⅛	14⅝
Two months	14⅛-14	14⅛-14¼	—	14½-14¼	14⅝	—	13¾	13⅞	14⅛	14½
Three months	14⅛-13⅞	14⅛-14	14⅛	14⅛-13⅞	14⅝	14½	13⅝	13⅝-13⅞	13⅝	14⅝
Six months	13⅝-13½	13⅝-13⅝	13¾	13⅝-13	14	—	—	—	12⅞	14
Nine months	12⅞-12⅞	12¾-12⅞	—	13-12⅝	13½	—	—	—	—	—
One year	12⅞-12⅞	12⅜-12⅞	13	12⅝-12¼	13¼	—	—	—	—	—
Two years	—	—	13-13⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 13 per cent; four years 12⅞-13 per cent; five-years 12⅞-13 per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¾ per cent; four-month trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 13 3/16 per cent; two-month 13 3/16 per cent; three-month 13¼ per cent. Approximate rates for one-month bank bills 14 1/32 per cent; two-month 13 29/32 per cent; and three-month 13⅞ per cent; one-month trade bills 14½ per cent; two-month 14⅜ per cent; and three-month 14¼ per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.2760 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.75-12
Fed Funds	11
Treasury Bills (13-week)	9.48
Treasury Bills (26-week)	9.44
GERMANY	
Discount Rate	5
Overnight Rate	6.90
One month	6.85
Three months	7.15
Six month	7.40
FRANCE	
Discount Rate	9.5
Overnight Rate	10.5
One month	10.5625
Three months	10.6875
Six months	10.75
JAPAN	
Discount Rate	5.25
Call (Unconditional)	6.75
Bills Discount (three-month)	7.825

U.S. banks seek more Euroloan business

By John Evans

SENIOR management at some of the major U.S. banks, faced with a slowdown in the American economy, are pressing their loan officers to generate more earning assets outside the U.S.

In some cases, this direction amounts to an implicit instruction, as far as Eurocurrency lending is concerned, for the banks to end their resistance to declining loan interest margins.

In the U.S. itself, demand for credit still remains strong. The volume of credit extended during the first half of 1979 was estimated to have totalled just short of $140bn, larger than last year.

Some banks, however, are now anticipating a more intransigent U.S. recession, and are thus implementing a more aggressive search for loan business in Europe and elsewhere.

Their concern over the depth of the U.S. downturn contradicts some economists' recent projections that the recession could be prolonged, but relatively shallow, barring a decision by President Carter to introduce stimulatory measures.

Nevertheless, the strength of areas such as domestic U.S. consumer spending, financed through the banking system, may be eroded sufficiently by an economic downturn to leave the banks with substantial excess liquidity available for international lending, bankers suggest.

This strategy is, however, not being adopted by all American banks. Many say privately that they are preferring to wait, and proceed on the assumption that worldwide credit demand will jump sharply next year as a result of increased balance of payments financing needs in the wake of OPEC oil price increases.

Such increased demands would result in a significant upturn in margins, these banks believe.

Thus relatively few U.S. banks have so far followed the recent examples of Morgan Guaranty Trust Company and Citicorp, and have lent in the medium-term credit market at margins of ½ per centage point or below—considered to be the point of razor-thin profitability on such loans, if management fees are excluded.

In particular, Manufacturers Hanover Ltd., the merchant banking subsidiary of the big New York bank, continues to take a strong stand, and has refused to lend below the spread-level of ⅝ of a point in recent months.

Manufacturers Hanover officials are considered to believe that increased global payments financing needs next year will eventually contribute towards an upturn in spreads, and leave the bank less isolated.

In 1980, the combined current account deficit of the less developed groups of nations may climb as high as $55bn, compared with about $35bn last year, according to recent estimates.

Manufacturers Hanover is continuing to win loan business on a selective basis. The bank is currently assembling a group to manage a $300m loan to the Italian state electricity agency ENEL. The "pricing" of the credit will be based on a so far undisclosed margin over the U.S. bank prime rate, rather than the conventional Eurodollar interbank formula.

These prime-based transactions have proved popular with banks in recent months, as they can provide a greater margin of return compared with Euromarket lending. The differential between prime rate itself, currently 11¾ per cent and the cost of large certificates of deposit in New York, for instance, can aproach 100 basis points, even before the margin the borrower is paying over prime rate is taken into account.

ENEL's last borowing in the Euromarkets was received indifferently. The $600m 10-year credit launched earlier this summer was finely priced at margins of between ½ and ⅝ percentage points, and the syndication operation raised less than $50m from the market. The different pricing mechanism for this latest transaction may improve the reception for ENEL risk.

The Kingdom of Sweden, which is believed in the markets to be ready with a stepped-up programme of foreign borrowing to meet its payments and budgetary requirements, is understood to be considering a $100m loan, also based on a prime rate formula.

Among other transactions, American Petrofina Exploration Company has completed a $180m loan with a group led by Societe Generale de Banque to finance the development of the Maureen North Sea oilfield.

The financing includes $115m as a production payment with limited recourse, and $65m as a loan which may be converted into a production payment. Spreads on the loan portion range between ¾ and ⅞ points, while the larger facility carries margins of ⅞ to 1 per cent.

In Portugal, the state agency Correios e Telecommunicacoes de Portugal is borrowing $100m over nine years with a margin of ⅞ per cent. Kredietbank Luxembourg has been awarded the mandate.

Sohio in $3bn agreement for Alaskan gas sales

BY STEWART FLEMING IN NEW YORK

STANDARD OIL of Ohio, British Petroleum's U.S. subsidiary, has reached an agreement to sell 2 trillion (thousand billion) cubic feet of natural gas from its Alaskan field at Prudhoe Bay to Northern Natural Gas of Omaha, Nebraska.

At current gas prices the agreement, covering about 20 years, is worth more than $3bn. But it is contingent on the construction of the controversial 4,800-mile natural gas pipeline from Alaska to the lower 48 states, which is unlikely to be completed until at the earliest the mid-1980s, always assuming that existing obstacles to the project are overcome.

The agreement Sohio has reached is similar to deals completed by other owners of gas in the Prudhoe Bay field. These contracts to sell the gas are seen as a necessary pre-condition to the construction of the pipeline, since they provide the owners of the line with an assurance that the pipeline will be used.

It is estimated that there are around 27 trillion cubic feet of natural gas in the Prudhoe field, and Sohio's reserves are put at around 6.5 trillion cubic feet. The cost of delivering the gas to the U.S. will be considerably more than the wellhead ceiling price, which is currently around $1.60 per thousand cubic feet, as the pipeline tariff has to be added in.

AT & T loses appeal on Iran

BY JOHN WYLES IN NEW YORK

AMERICAN Telephone and Telegraph AT and T has lost its bid in a U.S. Appeals Court to prevent Iran from collecting the balance of a $38.8m advance payment made by the Government of the ousted Shah.

Three Appeals Court Judges in New York voted unanimously to reject the appeal by American Bell International, an AT and T subsidiary, against a lower court ruling that its bank, Manufacturers Hanover Trust Company should honour a letter of credit isued to Iran.

This was essentially a performance guarantee which enabled the Iranians to claim part or all of the advance payment with or without the agreement of American Bell. The company claimed that its agreement and letter of credit had been made with the previous Government and had been nullified by the change of regime.

Two weeks ago, Bank Iranshahr demanded payment on the letter of credit of $30.2m and said that it was deducting $8.6m for "services rendered." The initial down payment and the letter of credit formed part of a $280m contract signed in July 1978 under which American Bell would provide equipment and consulting services.

The contract has subsequently been cancelled by the Iranians but without, claimed American Bell, any settlement for alleged breaches of its provisions nor full recognition of services rendered.

Exxon-FTC compromise sought

BY OUR NEW YORK CORRESPONDENT

EXXON AND the Federal Trade Commission have been asked by a Federal Judge to try to reach a compromise to allow the giant oil company to complete its proposed $1.2bn purchase of electric motor manufacturer, Reliance Electric.

United States District Judge John H. Pratt has suggested that Exxon agree to hold Reliance as a separate entity after its acquisition, so that should the FTC succeed in winning its administrative case seeking the divestiture of Reliance at a later date, this could be accomplished. Judge Pratt said that if the two companies were merged completely, it would be very difficult to unscramble them later if divestiture were ordered.

The Judge's suggestion came at the end of hearings into an FTC case calling for a preliminary injunction barring the merger. A temporary injunction blocking completion of the deal expires tomorrow and the Judge has said that he hopes to reach a decision on the case before then.

Redundancies at Chrysler Canada plant

By Our Financial Staff

CHRYSLER CANADA yesterday announced that it is dropping 980 workers from the payroll at its major engine plant, which shut down on July 9 and is due to re-open on August 27. This will leave only 594 employees.

A meeting between Chrysler Canada officials and Mr. de Cotret, the Federal Economic Development Minister, will probably be held "in a few days," according to a spokesman for the Ministry.

Mr. de Cotret told reporters after a Cabinet meeting: "we are certainly prepared to assist (the company) in any way considered acceptable to the Federal Government." He said his planned talks would include discussion of some confidential proposals made to him. "These proposals were very interesting. They are under wraps. Let me leave it at that," he said.

But earlier this week, Chrysler Corporation, the U.S. parent company, dismissed as "nonsense" suggestions that it had approached the Canadian Government for help for its Canadian subsidiary.

Steady rise at Norton Simon

By Our Financial Staff

NORTON SIMON, associated with such household names as Avis, Canada Dry and Max Factor, has had a record year with increased net profits at $124.25m against $115.8m. Revenue for the year was $2.75bn compared with $2.42bn. The final earnings per share were $2.41 against $2.20.

Net profit for the fourth quarter improved to $34.1m from $31.9m with per share earnings at 66 cents against 61 cents. Revenues for the final quarter were $748.8m from the corresponding $672.8m.

All of Norton Simon's consumer companies had strong operating results with the exception of Max Factor which reported a loss. A return to profitability is forecast for Max Factor this year however.

Carnation sees record year

By Our Financial Staff

DAIRY AND food products group Carnation is showing a 15 per cent gain in earnings at the halfway stage and expects to report peaks in both sales and profits at the year end. Last year the company turned in net income of $123.8m on sales of $2.58bn.

Net earnings advanced from $59.9m to $69m in the first six months, with per share earnings of $1.85 against $1.61 last time. At $1.33bn, sales are 8 per cent ahead.

The second quarter turned in earnings 3.7 per cent up at $30.6m or 82 cents, against 80 cents previously, on sales 9 per cent up at $660.3m.

The company said most operations contributed to the second quarter gain in profit and sales.

Domestic grocery products sales were generally slow but experienced an upturn in late June and July. Sales of international products, except for evaporated milk products, showed favourable growth.

Anderson Clayton ahead

BY OUR FINANCIAL STAFF

ANDERSON, CLAYTON, the Houston-based group which derives the bulk of its profits from food and food related activities, managed to lift earnings for the latest fiscal year from $47.2m or $3.36 a share to $48.8m or $3.54 a share. Sales advanced from $1.31bn to $1.49bn.

The increase was due to a strong surge in fourth quarter returns, with profits advancing by 25 per cent, from $10.9m or 77 cents a share to $13.7m.

Easier trend in Eurodollar bond prices

By Francis Ghilès

THE RISE in U.S. Federal Fund rates from 10½-¾ to 10⅞-11 per cent yesterday was widely expected and already discounted in the Eurobond market. Dealers felt that the U.S. authorities had taken a step in the right direction, but they would be disappointed if this rise represented the full extent of the Federal Reserve's tightening of montary policy.

Chase Manhattan Bank raised its prime rate by ¼ of a point to 12 per cent yesterday, a move which is expected to be followed quickly by other major U.S. banks.

Where they moved yesterday, dollar bond prices were easier. This interest rate move widened the gulf between the Eurobond and New York bond markets which has been a feature of the international bond markets since last week. In New York prices have firmed since the beginning of the week.

The prices of the three outstanding dollar bonds for the San Francisco-based computer leasing concern Itel have weakened further in the past few days. The 10¼ per cent bond of 1993, which was floated in April, is currently being quoted by the lead manager, Kidder Peabody, at 70-74 while the 9¼ per cent bond of 1988 is quoted at 70-75 and the 9¾ per cent bond of 1990 at 65-70.

Early last week, Itel Corporation said that its after-tax loss for the second quarter of this year would be about $80m. Itel, which has been left high and dry by fast-changing technology in the computer market and is now in the thick of law suits with its insurers, has also put together a drastic programme for survival over the next 18 months.

With many European centres closed for the Assumption holiday, trading in all sectors of the bond markets was reduced to a trickle yesterday. In the Deutsche Mark sector bond prices were easier on the day, especially where domestic bonds are concerned. The Bundesbank bought DM3m worth of bonds to support domestic bond prices.

In the guilder sector, prices remained very firm: most foreign guilder bonds have posted increases of ¼-½ a point this week.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on August 15

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	50	98	98½	−0⅛	−0⅛	10.28
Alex Howden XW 9¼ 91	30	80½	82½	+0¼	−2⅛	12.58
Australian Res. 9¾ 84	30	97⅞	98⅛	0	−0⅛	10.18
Avco O/S Cap. 10¼ 87	40	96¼	97	−0⅛	−0⅛	10.87
Bayer Int. F. XW 7½ 89	200	83½	83⅞	+0⅛	+0⅛	9.99
Beneficial Fin. 9¼ 87	100	97¼	98¼	−0⅛	−0⅛	10.12
CECA 9¾ 84-99	50	[illegible]	94½	0	−0⅛	10.06
CECA 10¼ 91	150	97⅞	98⅛	0	−0	11.03
Canadian Pacific 9¾ 89	50	97⅞	98¼	0	0	10.05
Carter Hawley 9¾ 86	50	96¼	97⅛	−0⅛	−0⅛	10.37
Comalco Inv. E. 10¼ 91	40	99¼	99⅞	−0⅛	−0⅛	10.30
Continental Grp. 9⅞ 86	100	97½	98	−0⅛	−0⅛	10.08
Dome Petroleum 10 94	50	96⅞	96⅛	0	−0⅛	10.52
Dominion Bridge 10¼ 84	30	99⅞	100⅛	0	0	10.20
Dow Chem. O/S 9¼ 94	200	97¼	97¾	0	+0⅛	9.93
EIB 9⅞ 88	150	99¼	99¾	−0⅛	−0⅛	10.00
EIB 9⅞ 99	100	99⅞	100⅛	+0⅛	−0⅛	10.10
EIB 9⅞ 87	150	100½	101	0	0	9.97
EIB 10 99	150	100⅝	101⅛	0	−0⅛	10.12
Export Dv. Cpn. 9.85 84	150	100⅝	101	+0⅛	+0⅛	9.85
Export Dv. Cpn. 9⅛ 84	100	97	97½	0	−0⅛	10.00
Finland 9½ 86	100	97½	98	0	−0⅛	9.98
Finland 9¾ 89	100	98¼	98¾	+0⅛	−0⅛	10.11
GTE Finance 9½ 84	50	97¼	98⅛	0	−0⅛	10.04
GTE Finance 9¾ 89	55	95⅛	96⅛	+0⅛	+0⅛	10.41
General Motors 9⅛ 86	100	97¼	97¾	−0⅛	−0⅛	9.76
Gould Int. Fin. 9¾ 85	50	98	98½	−0⅛	0	10.18
Hoechst Fin. XW 6¾ 89	125	89¼	89¾	+10	+8⅛	8.37
Hudson Bay Co. 10 94	50	98¼	98¾	0	0	10.12
ITT Antilles 9½ 89	75	95¼	96⅛	−0⅛	−0⅛	10.15
Kennecott Int. 9½ 86	100	94½	95⅛	0	−0⅛	10.66
Manitoba 9½ 89	75	96⅞	97⅛	0	0	10.00
Nat. Des Telecm. 9½ 86	100	97⅞	98¼	0	−0⅛	9.88
New Brunswick 9¾ 94	75	96	96½	0	−0⅛	10.24
Newfoundland 10 94	50	98⅛	98¾	0	−0⅛	10.14
Norsk Hydro 9⅝ 94	50	94¼	94¾	−0⅛	−0⅛	9.97
Norway 9⅞ 84	150	100⅛	100⅝	0	−0⅛	9.87
Norway 9⅝ 84	150	98¼	98¾	0	−0⅛	9.89
Nova Scotia Pwr. 9¾ 89	50	97¼	97¾	0	0	10.15
Occidental Fin. 10¼ 84	50	99½	99⅞	−0⅛	−0⅛	10.33
Orient Leasing 9½ 86	25	†95½	96¼	0	0	10.33
Pennwalt O/S F. 9¾ 84	25	98¼	98¾	0	−0⅛	10.14
Pepsico Cap. 9⅛ 84	100	99	99½	0	0	9.71
Portland 10 84	50	97½	98	+0⅛	0	10.61
Quebec Hydro 10 99	75	95⅝	96¼	0	0	10.49
Redland Fin. XW 9½ 91	25	90½	91¼	0	+0⅛	10.91
Sears Roebuck 9 82	150	99	99½	+0⅛	0	9.77
Statoil 9⅝ 89	100	97	97½	0	−0⅛	10.07
Stockholm 9⅝ 84	60	99⅛	99⅞	−0⅛	−0⅛	10.04
Sweden 9⅝ 89	100	98¼	98⅞	−0⅛	+0⅛	9.96
Sweden 9½ 86	200	98⅞	99¼	−0⅛	−0⅛	9.91
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7½ 89	10/79	174	95	96¼	+0⅛	−5.15
Ciba-Geigy O/S F. 4 94	9/79	675	95½	96⅛	−0⅛	3.06
Credit Suisse 4½ 93	10/78	1325	107⅞	108⅝	+0⅛	4.62
Esselte 7¼ 89	9/78	159	98¼	99¼	+0⅛	−6.42
Honda Motor 5½ 89	5/79	532	102¼	103½	−0⅛	−1.01
LPC International 8 89	9/79	35	100	101	+0⅛	20.25
Nitto Elec. Ind. 8 94	7/79	735	97⅛	98⅛	−0⅛	−0.65
Union Bk. Switz. 5 89	2/80	1250	107⅛	108¼	+1⅛	−31.45
Fujitsu 5 84 DM	7/79	475	103⅝	104⅝	−0½	12.31
Kansai Elec. 4 84 DM	4/79	1350	88¼	89¼	+0⅛	50.22
Marudai Food 3½ DM	2/79	1033	83½	84¼	+1⅛	44.65
Nippon Ysn. 3½ 85 DM	1/79	257	111⅞	112⅝	+2	−1.63
Nissan Diesl. 3½ 86 DM	2/79	477	87	88	+0⅛	20.56
Olymp. Opt. 3½ 85 DM	2/79	703	98	98¾	0	−0.19
Sharp Cpn. 3½ 86 DM	2/79	487	91½	92¼	0	10.73
Tokyo Elec. 3½ 87 DM	4/79	476	93¼	94	0	41.83
Tokyu Ld. Cp. 4 86 DM	4/79	493	83½	84¼	0	27.60

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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NMB lifts profits at halfway stage

By Our Financial Staff

FIRST HALF profits higher by 3½ per cent at the net level are reported by Nederlandsche Middenstandsbank, one of the big three commercial banks in Holland.

NMB has lifted earnings to Fl 75.5m ($37.5m) from FL 56.4m in the six months ended June. The performance puts the bank comfortably ahead of its two main rivals—ABN and Amro—which reported first half profits growth of 6½ per cent and 15 per cent respectively.

NMB also points out that profits in the current six months are likely to match those of the first, due to the continuing growth of business. Thus earnings overall should emerge at Fl 151m, compared with the Fl 144.9m achieved in 1978.

Both Amro and ABN announced their interim results at the end of last week. At the time Amro was *moderately* optimistic for the second half, but ABN refused to be drawn on any overall forecast.

NMB's balance sheet total at the end of June totalled Fl 36.7bn, a rise of 19 per cent from the level of end June 1978.

Speaking in Chicago, Mr. Andre Batenburg, chairman of ABN, said yesterday that the rate of increase in net earnings should pick up in the longer term from the first half's 6.3 per cent gain. He said he expects the guilder to remain strong against the dollar and D-Mark, and that this will have some effect on earnings. ABN expansion plans this year or early next include branches in Madrid, Fukuoka in Japan, and two in Saudi Arabia.

Wells Fargo closes branch

By John Evans

WELLS FARGO BANK, the California bank which is the 11th largest in the U.S., yesterday announced plans to close its branch in Luxembourg.

The activities of the office will be assumed by the bank's London branch. Last year all Eurocurrency trading and funding by Wells Fargo was consolidated in London.

The closure was a further step towards centralising in London the bank's operations for Europe, the Middle East and Africa, Mr. Alan Holroyde, a senior vice-president, said.

SKF trebles six month earnings

BY VICTOR KAYFETZ IN STOCKHOLM

SWEDEN'S BEARING, steel and toolmaking group SKF achieved profits for the first-half of 1979 almost three times as high as for the corresponding period of 1978. Profit advanced from SKr 83m to SKr 237m ($56m), before extraordinary items, exchange differences, allocations and tax. Sales rose by 16 per cent to SKr 5.5bn (*$1.3bn*).

"In spite of increased manufacturing costs due to rising energy costs, profits for the *second half of the year are also* expected to show marked improvement over the corresponding 1978 period," SKF states.

Pre-tax profit for 1978 as a whole was SKr 207m. Last spring SKF predicted merely "improved earnings" on a turnover 10-15 per cent higher than the SKr 9.5bn recorded in 1978.

SKF said the progressive improvement in the business climate during the 1979 first half led to increasing production and capacity utilisation in most of its industrial sectors, while the *livelier market also accepted* better price levels.

Group operating income for January-June was SKr 431m *against SKr 244m a year earlier.* Net financial costs rose from SKr 161m to SKr 194m.

Despite continued losses in the French and UK bearing subsidiaries, pre-tax profit from rolling bearings—which dropped from 72 to just under 70 per cent of group sales including deliveries between product fields—rose by SKr 46m to SKr 155m. Chances of improving profitability in the sector had *improved after the French* Government in June agreed to a phased shutdown of the Bois-Colombes factory in Paris while *reductions at the Irvine plant in* Scotland were proceeding as planned.

Steel and other products *together accounted for pre-tax* profit of SKr 53m against a first-half 1978 combined loss of SKr 40m, and increased their share of group sales by 2 per cent to 26 per cent. Cutting tools doubled their contribution to pre-tax profit, bringing in SKr 29m and continuing to account for just over 4 per cent of group sales.

SKF's factory in India will expand its capacity for making roller bearings and textile machinery components. The Swedish state has granted SKF Steel SKr 35m in subsidies and loans to continue developing the nergy-saving plasma method of producing raw iron.

Group capital expenditure was virtually unchanged at SKr 170m for the first half, and liquid funds at mid-year totalled SKr 680m, or SKr 17m higher than 12 months earlier.

Kuehne and Nagel moves ahead

BY JOHN WICKS IN ZURICH

FOR THE FIRST time ever, the international forwarding-agent Kuehne & Nagel has revealed group income figures. According to the Swiss holding company, Kuehne & Nagel International AG, gross earnings reached SwFr 391m ($236.2m) and cashflow SwFr 29.4m ($17.7m) in 1978. Both totals are said to show a "good increase" over those for 1977.

Turnover amounted to SwFr 2.69bn ($1.62bn) last year. Of this, some 70 per cent was accounted for by European business, 19 per cent from North America and 11 per cent by Middle and Far Eastern, African and Latin American operations. Turnover was slightly lower than that of SwFr 2.71bn for 1977 due to the appreciation of the Swiss franc. In real-terms, growth was as much as 13 per cent.

Business developed successfully in Germany and North America. Turnover of the UK shipping and road-transport subsidiary was up by 30 per cent with Middle Eastern construction projects playing an important part.

Kuehne and Nagel International, a family-owned private company, believes that the effects of the noticeable economic upswing in a number of countries during the first half of 1979 will not be felt in the transport sector until the second half of the year or in 1980.

With regard to the setback arising from the elimination of the Iranian transport market—previously one of the main strongholds of the group's European organisation — special emphasis programmes have been launched in an endeavour to counteract this, with an attempt being made to capture new markets in North Africa.

First half increase at Elkem

BY FAY GJESTER IN OSLO

THE NORWEGIAN metals, mining, manufacturing and engineering group, Elkem-Spigerverket, reports a profits upsurge in the first half of this year, mainly as a result of good demand and high prices for aluminium and ferro-silicone, two of Elkem's most important products.

Group profits in the six months reached NKr 98m ($19m) before tax and allocations, compared with NKr 33m for the whole of 1978. Turnover in January-June reached NKr 1.7bn against NKr 3.1bn for 1978 as a whole. Of the group's six divisions, only the manufacturing division sustained a loss during the period.

Earlier this week, Elkem announced plans to take over Bidston Steel, a small steel*works near Liverpool. This will* involve an investment of around NKr 100m, and Bidston's output will be integrated with that of Manchester Steel, another small steel works which the concern owns in Britain.

Elkem has other investments in hand costing some NKr 200m. They include capacity expansion at a silicone metal plant in Svelgen, west Norway, modernisation and expansion of a wire rolling mill in Oslo, and rebuilding of a ferro-silicone furnace at Christiansand.

Trade Development Bank boost

BY OUR FINANCIAL STAFF

TRADE DEVELOPMENT Bank Holding SA, the Luxembourg based bank holding company, reports net earnings after taxes stand at $18.9m or $1.15 per share for the first six months of 1979 compared with $16.6m or $1.01 for the first half of 1978.

Total consolidated assets of the group amounted to $5.88bn in the first-half compared with $4.80bn in the same period of 1978.

Deposits increased by 29.6 per cent to $5.19bn from $4bn. Total capital and loan funds employed rose to more than $500m.

As part of the group's policy of augmenting capital funds, so far this year an additional $10m of 25-year serial notes were issued by the group holding company

Heavy demand for Sasol share issue

By Quentin Peel in Johannesburg

POTENTIAL foreign investors in South Africa's R525m ($633m) share issue in Sasol, the state oil-from-coal concern, could be squeezed out because of the extent of interest in the issue from within the country, observers here believe.

The R490m private placement, which is available exclusively to South African institutions, and opened yesterday, has been supported to the tune of some R800m ($960m), it is understood. It is therefore expected that no single allocation *will exceed 25m shares,* worth R50m, and otherwise allocations can be expected to average only 60 per cent of the offer.

Because of fears by individual investors that the surplus institutional cash would be preferentially treated when the rest of the issue, 17.5m shares worth R35m, goes on public offer in September, Sasol yesterday issued a statement seeking to reassure them.

Mr. David de Villiers, the chairman of Sasol, said smaller investors would be dealt with first in the public issue, but he made no mention of foreign interest, which would be more likely to come, through the cut-price mechanism of the financial rand from larger institutions. The public issue is expected here to be heavily oversubscribed, possibly by as much as five times.

Further setback for Marra plan

By Our Sydney Correspondent

An ELEVENTH-HOUR hitch has upset the prospects of a reconstruction of Marra Developments, which was aimed at settling a long-running dispute between the company and a group of dissident shareholders. At *an extraordinary meeting in* Sydney, a major institutional holder, the Mutual Life and Citizens Assurance Company (MLC), voted against the capital reconstruction and threatened legal action if necessary.

Although the Marra board appeared to have the numbers to carry the day, the meeting was adjourned until next week, perhaps influenced by the fact that there have been several court cases already to try to settle the dispute.

A group of dissidents has been *at loggerheads with* Marra since its controversial merger in 1974 with another pastoral company, Scottish Australian Holdings. The essence of the dispute was a claim by some of the ordinary shareholders that Marra was engaged in a de facto liquidation in order to effect early repayment of preference capital.

An agreement was reached *recently, after court action,* which provided for ordinary shareholders to receive a repayment of 30 cents cash per share, and the remaining 20 cents would be cancelled, leaving preference shareholders *owning the entire* capital.

Industrial Equity Ltd. (IEL) recently bought almost 70 per cent of the preference capital, and has indicated that it will make an offer for the remaining 30 per cent which is held by the MSC (16 per cent) and several other institutions. The MLC opposed the scheme at the meeting because it claimed that it had insufficient information on Marra's financial position to make a rational assessment of the proposal. The meeting was told this was because the court ruled that certain information would not be available.

Mr. R. Brierley, the chairman of IEL, said he agreed with the MLC, as did two leaders of the dissident group present at the meeting.

Ansett sharemarket raid rocks Ampol

BY JAMES FORTH IN SYDNEY

ANSETT Transport Industries yesterday mounted one of the largest share market raids in Australia's corporate history in a move to prevent Ampol Petroleum from gaining control of the group.

Early yesterday morning *Ampol, which had been buying* Ansett shares for the past week, announced that it had reached its "target" 20 per cent shareholding in the airline, hotel and television group. Ansett countered with an aggressive operation in which it bought about 17m Ampol shares for the day.

After the close of stock exchange trading Ansett announced it now held slightly more than 20m Ampol shares, *almost 14 per cent of the capital.* Ansett had been in the Ampol market for two days through the sharebroking firm, Potter Partners.

Until yesterday the operation had attracted only 3m Ampol shares, or 2 per cent of the capital, principally because the *larger institutional holders con*sidered Ansett's asking price of 80 cents was too low.

Immediately after Ampol made its announcement, Ansett *lifted its buying price and the* shares rose to 90 cents. Almost 7m shares were traded on the exchange and another 10m were bought after trading.

Ansett is now easily the largest shareholder in Ampol. Its move appears designed to discourage Ampol from co-operating with another major Ansett holder, Thomas Nationwide Transport, to exercise control of Ansett, which has *been widely suggested.* TNT holds about 15 per cent of Ansett, but it is thought to have been buying yesterday and to have purchased almost 1.5m Ansett shares. Ampol appears to have picked up another 1.1m.

Ampol jumped the Ansett price up 15 cents to A$1.75 to acquire the final part of its parcel, and the price then slid back to close at A$1.55.

Late last night Ampol directors announced that in view of the "abnormal trading" in the company's shares, the shareholders should be informed that profits for the ten months to *July were higher than the* A$12.1m (U.S.$13.7m) earned in 1977-78 and that higher earnings were budgeted for the full year to September 30.

United Engineers advance

BY OUR SINGAPORE CORRESPONDENT

UNITED ENGINEERS, a leading engineering group in Singapore and Malaysia, is on the recovery trail with a pre-tax profit of S$2.54m (US$ 1.2m) in the six months to June 30. The *group lost more than S$5m in* 1978 after a pre-tax profit of S$1.66m in the first half.

Turnover in the first half rose *by 10 per cent to S$32.6m, com*pared with the previous first half. United Engineers said that *prospects for its heavy equip*ment division are encouraging while its commercial division continued to show improvement. However, competition in the engineering sector remained severe and special efforts are being made to generate a higher volume of business through its *workshops.*

VONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	7.8.79	14.8.79	AVERAGE YIELD	7.8.79	14.8.79
DM Bonds	100.84	100.73	DM Bonds	7.180	7.207
HFL Bonds & Notes	96.38	97.00	HFL Bonds & Notes	8.999	8.882
U.S. $ Strt. Bonds	95.50	95.62	U.S. $ Strt. Bonds	9.696	9.678
Can. Dollar Bonds	96.47	96.28	Can. Dollar Bonds	10.219	10.254

JAPANESE NEWS

Fishing company seeks U.S. base

BY OUR FINANCIAL STAFF

NICHIRO Gyogyo Kaisha, Japan's third largest integrated fishing company, plans to strengthen its ties with Peter Pan Seafoods, a U.S.-based fishing group.

The company said it is negotiating to acquire the whole of Peter Pan's issued capital. No figure has yet been disclosed although the stock currently has a value of around U.S.$ 23.5m.

It appears that Nichiro Gyogyo is trying to find a stable source of salmon and trout following tightening of restrictions in the north Pacific. Peter Pan is reported to be exporting canned and frozen salmon and trout to Japan, Britain and other countries. It also operates six factories in the Aleutian Islands, Bristol Bay and other locations. Annual sales are in the region of U.S.$100m.

Last November Nichiro Gyogyo made a $6m loan to the company for use as operating funds.

* * *

TWO JAPANESE chemical companies, Showa Denko K.K. and Sumitomo Chemical, have reported sharply better results in the six months to June 30.

Sowa Denko posted a Y2.13bn (U.S.$9.88m) net profit in the period on sales totalling Y164.9bn compared with a Y2.97bn deficit on sales of Y149.4bn in the first half of 1978.

The company said that after tax profits for the full year should reach Y5bn (Y3.69bn last year). No dividend was declared and resumption of dividends will depend on an assessment of prospects for 1980.

Sumitomo Chemicals' net profit for the half year was Y2.675bn against Y539m a year earlier on sales that were 12.7 per cent ahead at Y252bn.

A company finance department official attributed the profit jump to improved sales volume stemming from the business recovery in Japan and to production cost cuts.

* * *

PIONEER Electronics has announced a 13.2 per cent jump in net profit to a record Y4.115bn ($18.9m) for the three months to June 30. Sales were up 9.7 per cent against the corresponding period last year to Y53.6bn.

Company officials said the healthy result was due chiefly to the yen's decline. "In Europe, sales of stereo and other audio equipment almost doubled compared with the same period in fiscal 1978," they said. "In Japan, too, sales of this product group showed an increase of 44 per cent owing to the strong performance of the company's component car stereo line-up."

Sales in Japan totalled Y21.1bn—24.6 per cent higher than the previous corresponding period—while overseas sales edged up 1.8 per cent to Y32.5bn.

The latest figures take the consolidated net profit for the first nine months to Y10.3bn (2.7 per cent above last year's figure) on sales 7.3 per cent higher at Y164.8bn.

Satisfactory first half at East Asiatic

BY WONG SULONG AND GEORGIE LEE

THE EAST Asiatic Company of Malaysia reports first half consolidated pre-tax profits of 15.9m ringgit (U.S.$7.36m) and describes the results as satisfactory. No comparison is made with the results of the previous interim period as the latest figures include profits from The River Estates in Sabah, which was acquired last August.

On the parent company level, EAC made 11.6m ringgit during the current first half, representing a 4 per cent increase. It said with the high prices of rubber and palm oil, its plantation division performed better than expected. The trading division showed satisfactory progress, but its Dumex division (baby foods) was hit by rising costs of imported raw materials. An interim dividend of 7.5 per cent has been declared.

Also reporting from Kuala Lumpur is Dunlop Malaysian Industries whose profit margins have been squeezed by rising raw materials costs. The company discloses a 6 per cent increase in half-year pre-tax profit to 18.3m ringgit (U.S.$8.5m) on a sales rise of 18 per cent to 93.6m ringgit.

Although sales were expected to improve during the second half, Dunlop doubted whether profits would be any better than those of the first half considering the increases in raw materials cost. It is paying an interim dividend of 12.5 per cent, compared with 10 per cent in 1978.

* * *

THE Overseas Union Bank, one of the big four Singapore banks, has experienced an 18 per cent improvement in group pre-tax profit for the half year ended June 1979. Group pre-tax profit, after providing for diminution in the value of assets and allocations to inner reserves, was S$14.85m, compared with S$12.6m.

Growth at the parent bank was faster with pre-tax profit registering a 24.3 per cent improvement to S$12.76m. The group figures have been adjusted to exclude those of Overseas Union Securities, a closed end investment trust which ceased to be a subsidiary in the second half of last year. The associate company, Overseas Union Enterprise, which owns the prestigious Mandarin Hotel in Singapore, reports a 31 per cent rise in pre-tax earnings.

* * *

HONG LEONG FINANCE, Singapore's largest local finance company, announced a 10.4 per cent improvement in group pre-tax profit to S$5.2m for the half year ended June 1979. The figure includes four months' profit from the newly acquired subsidiary, Singapore Finance. Pre-tax profit at the parent company expanded at a slower 5.5 per cent to S$4.46m.

Record deficit for El Al

BY DAVID LENNON IN TEL AVIV

EL AL, Israel's national airline, reports a loss of U.S.$24m during the 1978-79 fiscal year. This is the first time in 12 years that the company has announced a loss, and it is the largest in the company's history.

Mr. Mordechai Ben-Ari, El Al's chairman, blamed the loss on a three-week shutdown last year, the closure of El Al's Tehran office, oil price increases, a change in U.S. fares policy, and the purchase of two Boeing 747 Jumbo jets. The three-week shutdown, ordered by the company after a small group of workers went on strike, cost $16.5m and failed in its objective of preventing further strikes by airline staff. The closure of the Tehran office and the cancellation of the route, which was ordered by the revolutionary regime, cost $1m.

Annual revenue rose by 8 per cent over the previous year to total $331.2m.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

EMPRESA NACIONAL HIDROELECTRICA DEL RIBAGORZANA S.A.

U.S. $62,000,000

TERM CREDIT FACILITY

MANAGED BY

CHASE MERCHANT BANKING GROUP
BANCO COMERCIAL PARA AMERICA S.A.
BANQUE EUROPEENNE DE CREDIT (BEC)
DEUTSCHE GIROZENTRALE INTERNATIONAL S.A.
LLOYDS BANK INTERNATIONAL LIMITED
MIDLAND BANK LIMITED

CO-MANAGED BY

BANQUE BELGE LIMITED
SOCIETE GENERALE DE BANQUE
BANQUE NATIONALE DE PARIS
CREDIT LYONNAIS
IRVING TRUST COMPANY

FUNDS PROVIDED BY

MIDLAND BANK LIMITED
BANQUE EUROPEENNE DE CREDIT (BEC)
LLOYDS BANK INTERNATIONAL LIMITED
SOCIETE GENERALE DE BANQUE
CREDIT LYONNAIS
TAKUGIN INTERNATIONAL (ASIA) LIMITED
ITALIAN INTERNATIONAL BANK LIMITED
BANCO COMERCIAL PARA AMERICA S.A.
DEUTSCHE GIROZENTRALE INTERNATIONAL S.A.
BANQUE DE COMMERCE, S.A.
BANQUE NATIONALE DE PARIS
IRVING TRUST COMPANY
THE TOKAI BANK, LIMITED

AGENT

THE CHASE MANHATTAN BANK, N.A.

JULY 1979

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

CAMEROON SUGAR COMPANY (CAMSUCO)

U.S. $50,000,000

MEDIUM TERM LOAN

GUARANTEED BY

THE UNITED REPUBLIC OF CAMEROON

LEAD-MANAGED BY

CHASE MERCHANT BANKING GROUP

MANAGED BY

DG BANK
DEUTSCHE GENOSSENSCHAFTSBANK
STANDARD CHARTERED BANK LIMITED

CO-MANAGED BY

AMERICAN EXPRESS BANK
INTERNATIONAL GROUP
BANK OF MONTREAL
BANQUE EUROPEENNE DE TOKYO
ALGEMENE BANK NEDERLAND N.V.
BARCLAYS INTERNATIONAL GROUP

FUNDS PROVIDED BY

THE CHASE MANHATTAN BANK, N.A.
STANDARD CHARTERED BANK LIMITED
BANQUE EUROPEENNE DE TOKYO
BANK OF MONTREAL
BANCO TOTTA & AÇORES LONDON BRANCH
BAYERISCHE LANDESBANK GIROZENTRALE —LONDON BRANCH—
FIRST PENNSYLVANIA BANK N.A.
INTERNATIONAL WESTMINSTER BANK LIMITED
CREDIT DU NORD
THE DAIWA BANK, LIMITED
DG BANK INTERNATIONAL SOCIETE ANONYME
AMERICAN EXPRESS BANK GmbH
ALGEMENE BANK NEDERLAND N.V.
BARCLAYS BANK INTERNATIONAL LIMITED
BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.I.I.)
CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO
SOCIETE FINANCIERE EUROPEENNE FINANCE COMPANY N.V.—S.F.E. GROUP—
THE FIRST NATIONAL BANK OF BOSTON

AGENT

THE CHASE MANHATTAN BANK, N.A.

1st AUGUST, 1979

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

AVIACO

AVIACION Y COMERCIO, S.A.

U.S. $30,000,000

TERM CREDIT FACILITY

GUARANTEED BY

INSTITUTO NACIONAL DE INDUSTRIA (INI)

ARRANGED BY

CHASE MANHATTAN LIMITED
BANCO DE VIZCAYA, S.A.
BANCO EXTERIOR DE ESPAÑA S.A.
CREDIT GENERAL, SA DE BANQUE
INTERNATIONAL COMMERCIAL BANK LIMITED
JAPAN INTERNATIONAL BANK LIMITED
KREDIETBANK N.V.
THE MITSUBISHI BANK, LIMITED
THE MITSUI BANK, LIMITED
NATIONAL WESTMINSTER BANK GROUP
THE SUMITOMO BANK, LIMITED

AGENT

THE CHASE MANHATTAN BANK, N.A.

AUGUST 1979

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

ETHIOPIAN AIRLINES

U.S. $30,075,000

TERM CREDIT FACILITY

FOR THE PURPOSE OF PARTIALLY FINANCING THE PURCHASE OF TWO BOEING 727-200 AIRCRAFT FROM THE BOEING COMPANY, U.S.

GUARANTEED BY

THE GOVERNMENT OF SOCIALIST ETHIOPIA

U.S. $14,035,000

MANAGED BY

CHASE MERCHANT BANKING GROUP

PROVIDED BY

THE CHASE MANHATTAN BANK, N.A.
IRVING TRUST COMPANY
MANUFACTURERS HANOVER TRUST COMPANY
NATIONAL WESTMINSTER BANK GROUP

AGENT

THE CHASE MANHATTAN BANK, N.A.

U.S. $16,040,000

PROVIDED BY

THE EXPORT-IMPORT BANK OF THE UNITED STATES

18th JULY, 1979

Wall St. advances 9.1 in 46m share volume

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—32¼% (30⅛%)
Effective $2.2325—13½% (12%)

FOLLOWING A move by the Federal Reserve to lift its rates on Federal Funds and a Prime Rate increase by Chase Manhattan Bank, Wall Street, surprisingly staged a fresh upsurge in the heaviest trading so far this year.

The Dow Jones Industrial Average was lifted 9.13 further to 885.84, the highest level since October 13, 1978, when it closed at 897.09. The NYSE All Common Index advanced 41 cents to $61.68, while volume swelled to 46.13m shares from Tuesday's 41.01m and was the largest daily total since 50.45m shares changed hands on November 1 last year. Rising issues outscored declines by 919 to 524.

Chase Manhattan Bank raised its Prime Rate from 11¾ to 12 per cent, matching the record set in July, 1974, while just before the market close, Continental Illinois Bank followed the move.

Analysts said the credit tightening by the Fed confirmed expectations that the new Fed chairman, Paul A. Volcker, would adopt a tough monetary policy.

Larry Wachtel, of Bache Halsey Stuart Shields, said those expectations have been largely responsible for the 55-point rise in the D-J Industrial Average since Volcker's nomination on July 25.

Analysts generally agreed that tighter credit should aid the dollar and help in the fight against inflation. However, it also poses the threat of deepening the recession, which could have an adverse impact on corporate earnings and stock prices later, they added.

Volume leader **Holiday Inns** rose 1¼ to $21¼. It is holding talks on the sale of its Trailways bus unit. **Reserve Oil and Gas**, in second place, added 1½ at $25½. **Denison Mines** has agreed to buy Reserve for $27.50 a share.

High Technology stocks were strong. IBM climbed $1⅛ to $72, Texas Instruments 2⅛ to $96⅝ and Digital Equipment $1⅞ to $63⅞.

Superior Oil advanced $19 to $469 on top of a 16-point rise on Tuesday on news of a five-for-one stock split.

Sterndent added 1¼ at $23. It has rejected revised merger terms from Cooper Laboratories and said it would consider partial to total liquidation.

THE AMERICAN SE Market Value Index jumped 3.89 to a new record high of 208.11. Volume 6.15m shares (5.43m).

Canada

Stocks were led generally higher by a very strong Oils sector in another very large business. The Toronto Composite Index rose 16.4 to 1,600.7, while the Oils and Gas index forged ahead 95.9 to 2,787.5.

Gulf Canada climbed 7½ to C$65¼ on 101,292 shares. The company is a participant in a hydrocarbon find off Labrador.

Tokyo

Active selective buying by foreign investors spurred on some segments of the market yesterday, which closed with a firmer bias overall. The Nikkei-Dow Jones Average moved up *28.93 to a fresh all-time high of* 6,424.15, while the Tokyo SE index added 2.11 at 453.25. There was a sizeable turnover of 400m shares, up sharply from Tuesday's 250m.

Resources-related issues, including **Nippon Oil and Teikoku Oil**, rose sharply on news that Japan hopes to start talks soon with Peking on a joint oil exploration in the East China Sea.

Large-capital shares were sought after by institutional investors and foreign buyers. Heavy Electricals, such as **Hitachi, Toshiba and Kawasaki**, together with Shipbuildings were higher, while buying interest also spread over Real Estates, Stores and Trading Houses.

In contrast, export-orientated issues were mostly lower on profit-taking. **Matsushita Electric** fell Y13 to Y668, **Canon** Y15 to Y541 and **Honda Motor** Y8 to Y585, but **Pioneer Electronic** advanced Y40 to Y1960.

Germany

The recent softening tendency continued in slow trading, with the Commerzbank index losing 2.5 more to 752.1.

Most of the declines were modest, but Machine Manufacturers recorded some sharper falls. **Babcock** lost DM 4, **Linde** DM 2 and **KHD** also DM 2. Brokers remarked that small-volume trading was responsible for the falls, adding that there was not any bad news about the machine-making industry. On the contrary, observers have said that West German producers of industrial installations can expect good earnings, with orders expected from the oil-exporting countries.

Lower Motors had **Volkswagen** down DM 2.

Banks were steadier after the previous day's retreat, with **Deutsche Bank** up 50 pfennigs, **Dresdner Bank** unchanged and **Commerzbank** only 30 pfennigs lower.

Some Stores managed to pick up, with **Kaufhof** gaining DM 2.50 and **Horten** DM 1.50, but **Karstadt** were DM 1 easier.

Brokers said part of the reason for the lack of activity in the stock market was a continuing weakness on the Bond market, where Public Authority Loans lost up to 50 pfennigs more and the Bundesbank bought a nominal DM 5.5m of paper in open-market operations after purchases of DM 9.3m on Tuesday. Mark-denominated Foreign Loans also surrendered up to 50 pfennigs more.

Hong Kong

Shares mainly relinquished more of their recently gained ground, still unsettled by worries about a possible rise in local interest rates, but last minute bargain hunting left some issues above the day's worst. The Hang Seng index, which reached a new 1979 high of 625.78 on Monday, slipped back 6.42 further to 613.47.

Following bid terms from Hutchison Whampoa for the China Provident shares that it does not already own, dealings resumed in China Provident, which closed at HK$32.75, compared with the cash bid of HK$35.42 coupled with a terminal dividend of 28 cents. **Hutchison** receded 10 cents to HK$5.35.

Hongkong Bank shed 20 cents to HK$13.70, **Hongkong Electric** 7.5 cents to HK$4.925, **Hongkong Land** 15 cents to HK$9.70, **Swire Pacific** 5 cents to HK$8.75 and **Hongkong Wharf** HK$1.00 to HK$38.00.

Amsterdam

Shares were generally firmer, with Unilever, after easing 30 cents to Fl 129.70, rising to Fl 130.50 in after-Bourse trading on news of higher second-quarter profits.

Shippings were higher, with **Van Ommeren** putting on Fl 3.50, **Nedlloyd** Fl 1.90 and **KNSM** Fl 1.50, while in Banks, **ABN** rose Fl 7.00 on foreign demand, **NMB** Fl 4.50 and **Amro** Fl 1.70.

Australia

Stocks ended mixed to firmer, with the Coals sector providing some sharp gains. The Sydney All Ordinaries index climbed 2.48 further to a new seven-year high of 617.50.

Among Coals, Utah advanced 10 cents to A$3.85, Coal and Allied 30 cents to A$7.00 and Oakbridge 7 cents to A$1.56, but **Thiess**, after a rise of 20 cents on Tuesday, reacted 10 cents to A$4.20.

There was further heavy trading in **Ampol Petroleum**, which rose 5 cents to 85 cents. The company and several other concerns have recently been actively increasing their shareholdings in *Ansett, which also* met a good deal of fresh attention and moved ahead to A$1.75 in early trading before reacting to A$1.55, down 5 cents on the day.

MARKETS CLOSED

Stock markets in the following countries were closed yesterday for the Assumption Day holiday: Austria, Belgium, France, Italy, Luxembourg and Spain.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
⊕ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. *a* Florins. *b* Schillings. *c* Cents. *d* Dividend after pending rights and/or scrip issue. *e* Per share. *f* Francs. *g* Gross div. % *h* Assumed dividend after scrip and/or rights issue. *k* After local taxes. *m* % tax free. *n* Francs, including Unilac div. *p* Nom. *q* Share split. *s* Div. and yield exclude special payment. *t* Indicated div. *u* Unofficial trading. *v* Minority holders only. *y* Merger pending. * Asked. † Bid. § Traded. ‡ Seller. *z* Assumed. *xr* Ex rights. *xd* Ex dividend. *xc* Ex scrip issue. *xa* Ex all. Δ Interim since increased.

Indices and base dates (all base values 100 except NYSE All Common — 50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ∥ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ∥∥ Banca Commerciale Italiana 1972. *a* Tokyo New SE 4/1/68. *b* Straits Times 1966. *c* Closed. *d* Madrid SE 29/12/78. *e* Stockholm Industrial 1/1/58. *f* Swiss Bank Corporation. *u* Unavailable.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Holiday Inns	703,700	21¼	+1¼
Reserve Oil	685,200	25½	+1½
CIT Financial	583,700	53⅝	−1⅝
Kaufman & Broad	500,700	12⅛	−⅛
IBM	498,000	72	+1⅛
Am. Tel. and Tel.	446,900	55⅞	+⅛
Upjohn	409,200	43⅞	+½
RCA	398,400	25⅞	+⅞
Caesars World	359,800	23⅞	−⅛
Nab. Sarsibond	356,200	28⅞	+2

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Bank Ltd.	14 %
Amro Bank	14 %
American Express Bk.	14 %
Henry Ansbacher	14 %
A P Bank Ltd.	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½%
Barclays Bank	14 %
Bremar Holdings Ltd.	15 %
Brit. Bank of Mid East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	14 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
Credit Lyonnais	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First Nat. Fin. Corp.	15½%
First Nat. Secs. Ltd.	15½%
■ Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ *Guinness Mahon*	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bk. of Scot.	14½%
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½%
Lloyds Bank	14 %
London Mercantile	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

هكذا من الأصل

Sugar surplus for Kenya

By John Worrall

NAIROBI — For the first time Kenya will have a sugar surplus this year—some 20,000 tons. This was forecast by the President, Mr. Daniel Arap Moi, when he laid the foundation stone of the new Sony sugar factory at south Nyanza.

He said Kenya would produce 290,000 tons of sugar this year, an all-time record. The Sony factory is to go into production in October with an initial production of 30,000 tons, rising to 90,000 tons a year.

Our Georgetown correspondent writes: The Guyana sugar industry has revised its 1979 production target downwards by 30,000 tons to 330,000 tons because prolonged rains in the first crop kept output well below expectations.

The first crop yield of just over 110,000 tons was only 70 per cent of the target.

The second, and bigger, crop, which started last month has produced 18,165 tons, or 75.9 per cent of the target so far. But hopes are high that production will rise further in coming weeks.

From Suva meanwhile, Reuter reports that the Fiji Sugar Corporation expects the 1979 cane crop to produce a record raws output of about 460,000 tonnes. This compares with 347,000 tonnes in 1978 and the previous record 399,000 tonnes in 1968.

Nine-week butter supply held in store

By Our Commodities Staff

STOCKS OF butter held in store in the UK under Common Market intervention arrangements totalled more than 67,000 tonnes at the end of July. This surplus, which excludes reserves held privately by manufacturers and merchants is equal to about nine weeks' supply.

Of the total, more than 44,000 tonnes have been bought by the Intervention Board acting on behalf of the EEC and the balance is held in private stores with storage and other costs borne by Community subsidies.

Last month the intervention stores took in more than 4,000 tonnes of home production and 4,509 tonnes were held off the market under the private storage scheme.

During the same period, however, more than 7,000 tonnes was released from the official stockpiles.

W. German Cabinet backs farm tax reform Bill

BY ROGER BOYES IN BONN

TO A CHORUS of anguished cries from the West German Farmers' Federation and opposition politicians, the Bonn Cabinet yesterday approved a draft Bill aimed at reforming income tax regulations for farmers.

The Bill, itself a hard fought compromise between the conflicting interests of Herr Hans Matthoefer, the Social Democrat Finance Minister, and Herr Josef Ertl, the Free Democrat Agriculture Minister, faces stiff opposition.

The Christian Democratic Union (CDU) and its Bavarian sister party, the Christian Social Union (CSU)—both of whom cherish the farmers' vote—have a majority in the Bundesrat (the upper house) and could well reject the Bill in its present form.

The Bill is designed to end some of the featherbedding which farmers enjoy under the present tax assessment system. At the moment, only about one in six farmers pay full tax and only 5 per cent keep accounts. Most farmers' profits are assessed on a flat rate basis which often grossly underestimates the true level of profit.

Under the proposed package, book-keeping becomes compulsory for some 140,000 farmers with holdings of more than 30 hectares who make an annual profit of at least DM 36,000 on a turnover of DM 360,000 or whose agriculturally-used land is worth at least DM 40,000.

A middle range of farmers—accounting for over 100,000 farmsteads—will have to make earnings-expenditure calculations for the tax inspector if their holdings are between 20 and 30 hectares and if their land is worth between DM 25,000 and DM 40,000. The majority of the 600,000 farmers will continue to be assessed on an adjusted flat rate scale.

It is an ill-starred package. The Farmers Federation is unhappy, claiming book keeping costs too much money for the smallholder, some Social Democrats are unhappy, claiming the reforms do not go far enough and the opposition parties look set to vote against it.

Moslem law stalls lamb deal

BY DAI HAYWARD IN WELLINGTON

A DIFFERENCE of opinion on whether a sheep's throat should be cut lengthwise or sideways is holding up a potential NZ$35m sale of New Zealand lamb to Iran.

The Iranians want to buy 45,000 tonnes of lamb next year. New Zealand Meat Board representatives and meat exporters have been to Iran twice in the past two months to settle the deal.

They failed because the Iranians do not accept New Zealand's slaughtering techniques. They say their religion requires that the animals be killed by a sideways cut across the throat.

This was exactly how New Zealand freezing works used to slaughter the 25m lambs the country exports every year. Then a few years ago, after Britain joined the Common Market, EEC regulations and hygiene requirements forced New Zealand to change its killing techniques. Animals are now slaughtered by a sticking method followed by a vertical cut running lengthways along the animal's throat.

It cost the New Zealand meat industry millions of dollars to redesign the killing procedures at its huge meat processing and freezing works to comply with EEC vetinary standards. The EEC regulations also slowed down the process because the butcher now has also to tie the end of the animal's food pipe. This is to prevent any contents of the stomach running down on to the head as it is suspended head down on the processing chain.

The new hygiene requirements led to considerable industrial unrest as freezing workers, who are paid on a production basis lost money through a slowdown on the killing chain with less lambs being processed in a day. A standard New Zealand meat processing plant will kill, process and freeze up to 10,000 lambs in an eight-hour working day.

When lamb exports to Iran reached a significant quantity a year or so ago major New Zealand processing companies agreed to engage Moslem slaughtermen who would kill the animals according to Moslem law.

With the change of Government in Iran this year, shipments of New Zealand frozen lamb were stopped until a high-ranking Moslem religious delegation visited New Zealand to inspect processing and freezing works and these killing methods.

So the conflict between Iranian and EEC slaughtering requirements has halted the proposed multi-million dollar deal. The problem is so vital to New Zealand and its meat exporting industry that it has now become the personal concern of the Minister of Agriculture.

New Brazil coffee blow

BY OUR COMMODITIES STAFF

A NEW setback has hit the Brazilian coffee crop. Following frost at the end of May and cold weather, which caused further damage during July, trade sources in Rio de Janeiro said yesterday they had received initial reports of an outbreak of coffee rust disease in the State of Parana.

The sources said it was far too early to assess the effect on next year's production but they said it would almost certainly have an impact on the crop's first flowering.

Following the May frost, the Brazilian Coffee Institute forecast next year's Parana coffee crop at 6.7m bags (60 kilos each) compared with 8.4m before the frost.

Trade sources now say that the crop may only yield about 6m bags.

The news helped to boost the November coffee futures price on the London market to £1,791.5 a tonne at one stage yesterday but after late profit-taking the price ended only £0.5 up at £1,748 a tonne.

Strike fear stops fall in lead

By Our Commodities Staff

A SHARP decline in lead values on the London Metal Exchange was stopped yesterday afternoon by rumours that workers at a Mexican producer's works had gone on strike.

Prices fell earlier in the day under pressure from a wave of aggressive trade selling, dealers said. At one stage, three months metal touched £523.5 a tonne before recovering to close £14 down on the day at £530.5.

Cash lead lost £24.75, closing at £536 a tonne.

Reuter reported from Montreal that Alcan Aluminium and the union representing 7,000 striking workers at three Quebec smelters were continuing meetings with a Government conciliator.

The meetings are the first since talks were interrupted on July 22. An Alcan spokesman said there were no other new developments in the strike, which began on June 1.

In New York, Comex gold and silver futures fell sharply, reacting to reports of tighter money policy.

Gold futures fell $2 an ounce with the spot August contract dropping to $298 after soaring early to a high of $302.

Potato quota cut

By Our Commodities Staff

THE POTATO Marketing Board has set a quota of 168,000 hectares forr registered growers next year, 2,000 hectares less than this year, to ensure that farmers produce enough potatoes to meet home consumption and to cover possible shortages.

Acreages have been reduced to allow for possible imports from Europe. The quota in 1977, for example, was 185,000 hectares.

Disease moves

ONLY 7 per cent of dairy herds in England and Wales have still to be declared free of brucellosis under the Ministry of Agriculture's compulsory eradication scheme, the Milk Marketing Board announced yesterday. Final steps in the programme will be taken at the start of next year.

UK SOFTWOOD MARKET

Consumption boost surprises importers

BY A CORRESPONDENT

THOSE SOFTWOOD importers still at their desks this holiday month, with the buying season now behind them, are wondering either how to finance the wood bought in the early months of the year and now flowing strongly into the ports, or about the size and level of next year's market which opens in a couple of months.

The timber importing companies, with a few exceptions, are used to living with a high rate of borrowing and this year there is a "swings and roundabouts" situation on the financial side. Interest rates are higher than expected, but so is sterling. The trade is not overbought, consumption has held up well, and while there is always the weak seller who needs to stimulate cash flow at almost any cost, the financing of the main bulk of this year's import should not bring problems

The trade has been pleasantly surprised at consumption strength. The industrial trouble which hit the Government statistical service left a five-month hiatus, but when first quarter figures appeared a few weeks ago—a quarter which included the worst of the winter and which was generally expected to be terrible for consumption of wood—they showed that 1.4m cubic metres had been used, only marginally down on the same time last year.

The latest set of statistics to be released, which take us up to the end of May, show consumption for the first five months at 2.7m cu m, which is actually a rise of 4.4 per cent on the same period last year.

In its forecasts for 1979, made in October last year, the trade put forward a figure of 6.7m cu m consumption and added that trade was expected to fall away in the second half of the year. Of course, at that time no one could foresee the severity of the winter that was to come, so it is still possible that some of the consumption which should have come in the first half will now fall in the second. The last seven months of last year saw 4.1m cu m go into consumption, so if this year it is a little less, the trade will have maintained its reputation for spot-on forecasting.

If the new housing figures can be taken as a guide the dip in consumption is almost inevitable. Starts up to the end of June were the lowest for 30 years at 102,600 and as it is generally reckoned to take about six to eight months between the start and the point in the construction cycle where the call for timber comes, then the fall-off in starts will be reflected in softwood consumption from about now onwards.

But there are two factors which may work against this assumption. First, the amount of softwood going into repairs, maintenance and improvement, while unquantifiable, is undoubtedly very large and the pace in this sector is not expected to fall off until next year. Secondly, the manufacturers of timber frame house components are reporting a high level of orders which indicates that this system of building is at last beginning to make definite headway.

Looking forward to next year, construction industry forecasts point to a small increase in housing starts but a modest reduction in expenditure on repairs, maintenance and improvement.

It seems likely that the trade will forecast a slightly reduced overall softwood consumption in the region of 6.4m cu m, but for the importer the important questions are who will supply it and what it will cost.

Softwood has seen a steady rise price for the past 15 months and most traders think it has now peaked. There is little prospect of any strong world demand next year. U.S. housing starts are falling and are forecast to go lower, and the West Coast Canadian lumber industry has got through its biennial wage negotiations without an interruption to production. These factors point to there being plenty of softwood in the world's markets facing a slack demand.

So while it looks as if the rise in price may be halted, or even reversed in some supplying countries, for the importer much will depend on the trend of sterling.

Sweden usually emerges as our top supplier of softwood, but this year will almost certainly be topped from that position by Finland, and there will be very little between Sweden, Russia and Canada for the next three places. As always, many importers will reserve most of their buying for next year until they know the intentions of the Soviet Union. This year Russia has sold about 1.4m cu m, worth about £115m, to the UK.

With some extensive grain purchases already negotiated, she will need to maintain her intake of Western currency so there is a chance that the state selling organisation, Exportles, may try for a larger share of a smaller UK import.

USSR may halt grain purchases

WASHINGTON — The Soviet Union is expected to withdraw from the U.S. grain market for the next few months at least and possibly until early next year, Government analysts and grain trade officials said here.

They said the USSR has probably already covered most, if not all, of its grain import needs through to early 1980, and may decide to wait for lower prices before making any additional large grain purchases.

One grain trade official said the USSR may wait on new purchases until completion of the domestic harvest in the autumn.

He said he believed the USSR had already bought at least 5m tonnes of maize and 6m tonnes of wheat for the fourth year of the U.S.-USSR grain supply agreement.

The grain trade official and USDA analysts agreed the 8m tonnes could easily cover Soviet import needs from October through to January. One official said the Soviet buying spree lasted from late April to mid-July when strong concern existed about a possible tight world wheat and feed grain supply situation.

He said he expected the USSR to be out of the market for the few months due to sufficient world grain availability and in an attempt to pay lower prices than current levels.

Reuter.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firmer again on the London Metal Exchange. Forward metal traded in the £900-£910 range, opening higher at £907, reflecting the strong overnight performance on Comex, but then falling back to £900 following fairly heavy trade selling and offerings of cash material. However, in the afternoon a further strong opening on Comex saw the price here move ahead to £909 prior to closing the late Kerb at £906.5. Turnover 18,900 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £908, 7, 6, three months £904, 3, 4, 6, 6, 7, 8, 7, 8, 5, 4, 3, 2. Cathodes, cash £881, three months £898. Kerb: Wirebars, three months £901, 900, 01, 02. Afternoon: Wirebars, three months £899, 901, 3, 5, 6, 5, 4, 3, 2, 2.5, 3, 3.5. Cathodes, cash £874, three months £887. Kerb: Wirebars, three months £907, 8, 7, 6, 5, 4, 5, 6, 7, 6.5, 7, 6.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	905.6	+29	906-8	+5.2
3 months	901-2	+16	903-.5	+4.5
Settlem't	906	+20	—	......
Cathodes				
Cash	874-5	+18	874-5	+1
3 months	887.5-8.5	+14.5	887-8	+2.5
Settlem't	876	+17.5	—	......
U.S. Smt.	—	......	*84-.87	......

TIN—Marginally easier in quiet trading with hedge selling depressing forward standard metal to £6,610 before a close on the late Kerb of £6,615. Turnover: 425 tonnes.

Morning: Standard, three months £6,620, 10, 15, 10. Kerb: Standard, three months £6,605, 6,600. Afternoon: Standard, three months £6,610, 20, 15. Kerb: Standard, three months £6,610.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6580-90	—10	6590-610	—10
3 months	6610-5	—17.5	6610-20	—15
Settlem't	6590	—10	—	......
Standard				
Cash	6580-90	—10	6590-610	—16
3 months	6610-5	—7.5	6610-20	—12.5
Settlem't	6590	—10	—	......
Straits E.	$21875	—1	—	......
New York	—	......		......

LEAD—Down but well above the day's lowest levels. After moving ahead on the pre-market and in the first ring lead came under heavy pressure in the second ring as aggressive trade selling depressed forward metal to £528. This selling was well absorbed but the price dipped further to £523.5 by the afternoon rings. At this point the market picked up strongly to close the late Kerb at £538 following vague rumours of a force majeure by a large producer. Turnover: 13,350 tonnes.

Morning: Cash £534, 33, 32, three months £542, 41, 40, 41, 39, 30, 28, 28, 27, 28, 28.5. Kerb: Three months £529, 28. Afternoon: Three months £527, 26, 24, 27, 28, 29, 30. Kerb: Three months £535, 37, 38, 36, 35, 36, 37.

[illegible]

I.G. Index Limited 01-351 3466. Three month Copper 902½-910½
29 Lamont Road, London SW10 0HS.
1. Tax-free trading on commodity futures.
2. The commodity futures market for the small investor.

CORAL INDEX: Close 472-477

INSURANCE BASE RATES

† Vanbrugh Guaranteed	11¾%
† Property Growth	11½%

† Address shown under Insurance and Property Bond Table.

ART GALLERIES

[illegible]

PUBLIC NOTICES

[illegible]

TRAVEL

[illegible]

EXHIBITIONS

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

SILVER

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 15 1979	+ or —	Month ago
Metals			
Aluminium	£710/50	......	£710/50
Free Mkt (cs)	$1585/1685	......	$1,480/15
Copper			
Cash w'bar	£907	+5.5	£795.75
3 mths	£903.25	+4.5	£814.5
Cash Cathode	£874.5	+1	£776
3 mths	£887.5	+2.5	£797
Gold troy oz	$300.125	+5.5	$297.875
Lead cash	£536	—24.75	£538.5
3 mths	£530.5	—14	£518.5
Nickel	£2854	......	£3,225.4
Freemkt(cif)lb	245/270c	......	285/300c
Platin'mtr'y oz	£155.5	......	£165
Free mkt.	£166.65	+0.85	£184.8
Quicksil'ver	$275/295	......	$310/30
Silver troy oz	405.60p	+8.4	416.05p
3 months	417.10p	+8.6	428.55p
Tin Cash	£6,600	—10	£7,180
3 mths.	£6,615	—12.5	£6,775
Tungsten	$145.12	......	$140.17
Wolfrm 22.04cif	$140/146	......	$136/146
Zinc cash	£300	—7	£318
3 months	£310.5	—7	£325.25
Producers	$780	......	$845
Oils			
Coconut (Phil)	$1,025x	—15	$1,140
Groundnut		......	
Linseed Crude	£395	......	£408
Palm Malayan	$652.0	+10	$684
Seeds			
Copra Philip	$680x	......	$730
Soyabean (U.S.)	$310.20x	+4.7	$315.5
Grains			
Barley Futures	£91.05	—0.35	£92.40
Maize			
French No3AM	£108.0	—0.75	£107
Wheat			
No. 1 Red Spg.		......	£97.0
No2HardWint.	£99.25x	+3.75	£98.75
Eng. Milling		......	

[illegible]

AMERICAN MARKETS

NEW YORK, August 15.

THE GRAIN markets were firm earlier in the day on frost concern, however lack of follow-through in the soya complex brought in selling pressure. In the livestock sector, cattle closed lower on Commission House profit-taking, [illegible]

Tin—683.00-695.00 asked (678.00-692.00).

CHICAGO, August 15.

Lard—Chicago loose 24.50 (same). New York prime steam unavailable.

[illegible]

EUROPEAN MARKETS

ROTTERDAM, August 15

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Sept $203. U.S. Hard

No Paris markets due to Ascension Day holiday.

Winter Ordinary unquoted. U.S. No. 2 Red Winter Oct. $195, Nov. $198. U.S. No. 2 Northern Spring, 14 per cent, Aug $197, Sept $197, Oct. $200, Nov. $203, Dec. $207.50.

Maize—U.S. No. 3 Corn Yellow afloat $120, Aug $128, Sept $129, Oct.-Dec. $142, Jan.-March $150, April-June $152.

Soyameal—44 per cent protein U.S., afloat $230, Aug. $233, Sept $237, Nov.-March $250, April-Sept. $253. Brazil Pellets Aug $237, Sept $243, Oct. $254, Nov.-March $257, April-Sept. $258.

INDICES

FINANCIAL TIMES

Aug. 15	Aug. 14	M'nth ago	Year ago
285.80	285.22	285.88	246.49

(Base: July 1, 1952=100)

MOODY'S

Aug. 15	Aug. 14	M'nth ago	Year ago
1072.1	1065.0	1085.4	930.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 15	Aug 14	Month ago	Year ago
Spot	397.25	399.51	408.67	346.30
F'tur's	407.66	408.41	422.42	358.57

(Average 1924-25-26=100)

REUTERS

Aug. 15	Aug. 14	M'nth ago	Year ago
1562.8	1555.0	1561.4	1443.2

(Base: September 18, 1931=100)

[illegible]

Melons—Spanish: Yellow honeydew 10 kilos 5/14's 2.20-2.60. Onions—Spanish: 4.00-5.20; Dutch, 3.60. Tomatoes—Jersey. Per tray 1.20-1.30; Guernsey: 1.20-1.40. Cabbages—Dutch: White, net 5.00. Potatoes—Cyprus: 3.00. Capsicums—Dutch: 2.00. Peaches—Italian: 1½ trays Cs 1.80-2.00, Bs 2.10-2.40, As 2.20-2.50, AA 2.50-2.70. English Produce: Potatoes—New crop per bag 2.10-2.40. Lettuce—Per 12 round 0.80-1.30. Cos 1.20. Mushrooms—Per pound 0.30-0.60. Apples—Per pound Bramley 0.05-0.10, Grenadiers 0.04-0.06, George Cave 0.08-0.10, Discovery 0.12-0.14. Tomatoes — Per pound 1.10-1.30. Cucumbers—Trays 8/16's 0.60-1.00. Cauliflowers—12's Lincoln 1.00-1.20. Celery—Boxes 12/30's 1.00, large cartons 20/24's 2.20-2.30. Peas—Per pound 0.12. Broad beans—Per pound 0.05-0.06. Onions—Per bag 3.50-3.80. Carrots—Per bag 0.70-0.90. Beetroot—Per bag 1.20. Marrows—Per 18's 0.80. Capsicums—Per pound 0.20. Swedes/Turnips—Per 25/28 lb 1.00-1.20. Stick beans—Per pound 0.15-0.20. Runner beans—Per pound 0.08-0.10. Plums—Per pound Czars/Rivers 0.08-0.10.

Strong Gilt market augurs well for today's tap debut
Equities featured by Dalgety bid for Spillers—Golds up

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
July 30	Aug. 9	Aug. 10	Aug. 20
Aug. 13	Aug. 23	Aug. 24	Sep. 3
Aug. 28	Sep. 6	Sep. 7	Sep. 17

* "New time" dealings may take place from 9.30 am two business days earlier.

A strong performance by Gilt-edged securities highlighted stock markets yesterday. The strength of the funds naturally aroused hopes of a big subscription for the new £30-paid short tap, Exchequer 11¾ per cent 1984, and led to talk of the possibility of the stock being fairly quickly exhausted if demand continues in today's first-time dealings.

Trade at the short end of the market expanded noticeably as interest switched from the later maturities and gains to ⅛ in the shorts were slightly larger than most closing improvements. Long-dated stocks remained sensitive ahead of next Monday's call of £600m on the partly-paid Treasury 11¾ per cent 2003-07.

Reflecting the lack of marketability in the stock, a special gain occurred in Transport 3 per cent 1978-88 which jumped to 67 before settling ⅜ higher on balance at 66¼. The shorter-dated Treasury 12 per cent 1983 was similarly dearer at 100$\frac{1}{16}$, while Treasury 14 per cent 1982 put on ⅛ at 104$\frac{7}{16}$.

The equity sections meanwhile passed another tedious session, a situation relieved mainly by Dalgety's surprise offer of one ordinary share in exchange for every six Spillers, by trading announcements from one or two industry leaders, including Unilever, and a broker's downgrading of Hawker Siddeley's prospects.

Weakness in the last-named was reflected in the movement of the FT 30-share index. At 3 pm, the index was 2.2 down, but the loss was reduced when leading shares rallied in the after-hours' trade; the close was a net 0.9 down at 474.2 and the fall of 14 to 184p in Hawker more than accounted for the index loss.

Rates for investment currency were stable in the early business, but tended to move up later on institutional and other demand which found sellers reluctant. The later fall in sterling also aided the improvement in the premium which, closed a net 1¾ points higher at 32¼ per cent. Yesterday's SE conversion factor was 0.8838 (0.8950).

Almost 50 per cent of the total 328 deals transacted in the Traded Options market were done in three stocks, GEC recording 60 contracts with Land Securities and ICI attracting 53 and 50 respectively.

Interim profits from General Accident were deemed satisfactory but the sharp increase in the dividend and accompanying encouraging statement concerning underwriting prospects for the remainder of the current year were mainly responsible for the rise of 4 in the share price to 226p, after 230p. Commercial Union, however, eased a penny to 143p on further consideration of the disappointing first-half figures and Royals eased a similar amount to 342p in front of today's half-yearly statement. Elsewhere, Britannic moved up 4 to 160p on the increased interim dividend and Stenhouse, interim due a week next Thursday, hardened 2 to 86p.

A broker's forecast that London clearing bank profits would increase by more than a third this year, mainly because of higher interest rates, made no impression on the big four and, with the exception of NatWest which eased 2 to 336p, remained at their overnight levels. Elsewhere, Wagon Finance hardened a penny to 42p ahead of the interim figures due on the last day of the month, while Keyser Ullmann revived with a rise of 3 to 69p.

A slightly firmer trend was evident in the Brewery leaders, Scottish and Newcastle improving 2 to 69p and Bass, 235p, and Allied, 93p, both firming a penny. Among secondary issues, speculative demand accompanied by vague talk of a bid from Grand Metropolitan left Vaux 8 dearer at 161p.

Conditions in the Building sector remained quiet, but certain Contracting and Construction issues made progress. Taylor Woodrow firmed 8 to 380p and Marchwiel hardened 2 to 110p, while Wilson (Connolly) improved 5 to 171p, the last-named in a thin market. Timbers continued to trade firmly with International adding 3 to 123p, while Montague L. Meyer, 95p, Magnet and Southerns, 205p, and Travis and Arnold, 206p, all firmed 2. Walter Lawrence gained 4 afresh to 92p in a limited market, as did IDC, to 140p. A dull market since the one-for-one scrip issue, Leyland Paint continued the recent recovery with a gain of 3 to 56p.

Among Chemicals, Allied Colloids eased 3 to 123p as bid hopes faded.

Stylo easier

Profit-taking after the recent speculative surge on bid hopes prompted a fall of 10 to 210p, after 208p in Stylo. Elsewhere in Shoes, W. and E. Turner rose 3 to 51p in response to the sharp increase in interim profits, while George Oliver "A" were also notable for a gain of 7 to 90p.

Stores passed a quiet session with F. W. Woolworth closing a fraction off at 77¼p following the first-half profits which came in line with market expectations. Peters, at 82p, lost 6 of the recent good rise on profit-taking in the absence of bid developments. J. Hepworth were wanted at 86p, up 4, and Alfred Preedy ended a similar amount better at 83p.

The warning on profit margins which accompanied the interim results prompted weakness in Dale Electronic, down 14 at 134p. Elsewhere in the Electrical sector, fresh support was forthcoming for Wholesale Fittings which put on 5 more to 395p, while Unitech were also favoured at 200p, up 6. AB Electronic firmed 4 further to 198p, but Decca "A" at 325p, gave up the previous day's rise of 10. Occasional offerings left Racal 6 cheaper at 462p. Dreamland rose to 55p in response to the interim results and final dividend forecast before easing on profit-taking to close without alteration at 52p.

Hawker Siddeley, 14 lower at 184p, after 182p, following reports of a broker's down-rating of the company provided the main feature in the Engineering leaders. Tubes closed unaltered at 334p, after 328p; interim profits at the lower end of most estimates were outweighed by the increased dividend payment. Elsewhere, Staveley encountered further support and put on 4 to 272p, while revived demand left Greens Economiser up 6 at a peak for the year of 120p. S. W. Wood firmed 3 to 43p in response to the chairman's annual statement, but Davies and Metcalfe eased 2½ to 31p on the interim figures. Buyers showed interest in Stone-Platt, 4 to the good at 80p, and Victor Products 5 dearer at 140p. In contrast, scattered offerings left Northern Engineering 3 cheaper at 58½p.

Dealings in Spillers and Dalgety were briefly suspended at 39p and 301p respectively before the announcement of Dalgety's proposed merger terms. Spillers resumed at 47p and closed at 10 up on balance at 49½p compared with the offer currently worth 50p per share with Dalgety settling at 300p for a gain of 3 on balance. Spillers' rejection of Dalgety's move came well after the market's close.

Renewed buying lifted Associated Biscuit 3 to 35p and Northern Foods 2 to 120p, but lack of interest left Associated Dairies 7 cheaper at 283p and J. Sainsbury 2 off at 323p. Continued demand in a market none-too-well supplied with stock prompted a gain of 5 to 109p in Avana, while Joseph Stocks, annual results next Thursday advanced 10 to 190p.

Miscellaneous industrial leaders displayed no set trend after another quiet session. Reflecting disappointing second-quarter profits, Unilever were immediately lowered to 500p before closing 5 down on balance at 505p. Bowater, however, interim results due early next month, ended that much better at 166p. Pilkington put on 7 to 310p and Beecham a penny to 143p. Elsewhere, comment on the proposed £9m rights issue brought about a further reaction of 4 to 127p in Letraset International. Wilson Walton came under selling pressure again and the close was 3 down at a 1979 low of 12p. National Carbonising, on the other hand, added 4 to 77p, in belated response to Press comment. LCP firmed 2 to 124p, after 127p, following the chairman's bullish remarks at the AGM and Charles Sharpe rose 30 to 640p in a thin market. Employment agencies came in for some support with Brook Street Bureau 5 up at 76p and Reed Executive 7 to the good at 90p. Elson and Robbins advanced 5 to 94p.

Among Motors Distributors, York Trailer attracted small buying following the interim results and firmed 3 to 44p, but Associated Engineering eased 2 to 79p on the group reorganisation. In quietly firm Garages, Lex firmed 2 to 102p in response to the U.S. acquisition.

In Newspapers, Liverpool Daily Post, 127p, and Home Counties, 100p, added 3 apiece, the latter's interim results are due on September 5. Inveresk stood out in Paper/Printing adding 3 to 38p, after 39p.

Properties again benefited from early interest and occasionally extended moderate gains in late dealings. Land Securities firmed 4 to 311p and MEPC 5 to 203p. Hammerson A attracted buyers and improved 10 to 905p, while Law Land hardened 1½ to 76½p. Renewed buying lifted Rush and Tompkins 7 to 157p and prompted a gain of 4 to 103p in Allied London, while increased speculative interest left Amalgamated Estates 1¼ to the good at 17½p. McKay Securities firmed 5 for a two-day gain of 15 to 145p in response to the annual results, and Bilton, at 230p, recovered the previous day's fall of 6.

Oils remain quiet

Oils passed another quiet trading session, but the undertone remained basically firm. British Petroleum hardened 5 to 1200p, while Shell edged up 4 more to 334p awaiting today's half-yearly figures. Among North Sea stocks, late speculative support was mainly responsible for a rise of 14 to 264p in Lasmo. Burmah put on 3 to 143p and Ultramar hardened 2 to 314p.

Shippings trended easier, Furness Withy shedding 5 to 253p and P. and O. Deferred a penny to 102p. Hall Bros. Ordinary and 'A' shares were both quoted at 90p nominal following news of the sale of the last of the company's ships.

Interest in the Textile sector was at a fairly low ebb. Reliance Knitwear, 39p, and Carrington Viyella, 24½p, both eased around a penny following trading statements. On the other hand, Lister were supported at 61p, up 5, along with Rivington Reed which improved 3 to 24p.

Plantations were inclined easier in places. Killinghall were notable for a fall of 20 to 290p, while Castlefield cheapened 5 to 303p.

Rally in Golds

South African Golds staged a modest rally in line with the bullion price and investment currency premium but activity in the sharemarket remained extremely thin with turnover additionally affected by the closure of most Continental centres for the Assumption Day holiday.

Prices were marked up at the outset and continued firm until the late afternoon when modest American selling saw quotations ease to close well below the day's best. Nevertheless, the Gold Mines index managed to improve 3.4 to 166.3 and the ex-premium put on 1.2 to 147.0. The bullion closed $3.875 up at $300.125.

Among heavyweight, West Driefontein rose ¾ to £23½, Hartebeest ½ to £15 and Free State Geduld ⅜ to £13¾. In the medium and lower priced stocks, Zandpan added 16 to 257p.

The higher premium encouraged good gains in South African Financials where General Mining were outstanding with a rise of 50 to 545p following persistent Johannesburg buying. Union Corporation put on 15 to 379p, Anglo American 10 to 364p and De Beers 8 to 378p.

Rio Tinto-Zinc were prominent in London Financials as the continuing strength of copper prices prompted persistent buying in a market short of stock and pushed the shares 7 better to 297p, after 298p. Selection Trust hardened 4 to 514p.

Coppers all registered good gains. Palabora were 10 higher at 470p, while rises of 5 were common to Messina, 87p, Roan Consolidated, 85p, and Minorco, 165p.

Elsewhere, Northgate fell 10 to 345p in front of the second quarter results.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1200	54	—	108	—	150	1	1201p
BP	1300	20	1	58	—	84	—	"
Com. Union	140	13	2	17	—	23	—	144p
Cons. Gold	260	5½	5	7	—	—	—	220p
Courtaulds	80	11	—	14	4	17	—	88p
GEC	330	73	—	21	4	102	—	392p
GEC	360	45	5	68	5	82	—	"
GEC	390	23	7	47	9	61	—	"
GEC	420	9	11	31	—	—	—	"
GEC	460	2½	18	17	5	—	—	"
Grand Met.	155	7	—	13	10	—	—	151p
Grand Met.	160	—	—	—	—	17	7	"
ICI	330	21	—	29	21	35	—	341p
ICI	360	6	18	15	10	—	—	"
ICI	390	2	—	6	1	—	—	"
Land Secs.	280	40	5	52	—	64	—	312p
Land Secs.	300	25	13	39	15	53	—	"
Land Secs.	330	8	20	24	—	37	—	"
Shell	300	44	5	—	—	—	—	334p
Shell	325	24	17	35	6	—	—	"
Shell	350	13	1	24	2	—	—	"
Shell	400	2	6	11	—	—	—	"
Totals			133		88		8	
		August		November		February		
Boots	180	10	18	20	—	27	—	189p
EMI	90	12	—	17	5	23	10	98p
EMI	120	¼	2	3½	—	7	24	"
Imperial Gp.	100	½	—	3½	25	7½	—	96p
RTZ	260	39	—	46	2	58	—	297p
RTZ	280	19	18	35	—	48	—	"
RTZ	300	5	—	23	5	34	—	"
Totals			30		35		34	

FINANCIAL TIMES STOCK INDICES

—	Aug. 15	Aug. 14	Aug. 13	Aug. 10	Aug. 9	Aug. 8	A year ago
Government Secs.	74.06	73.69	73.52	73.74	73.96	73.65	71.09
Fixed Interest	74.72	74.45	74.52	74.48	74.64	74.18	72.82
Industrial	474.2	475.1	475.8	470.0	467.4	473.7	510.0
Gold Mines	166.3	162.9	168.2	169.5	166.3	157.8	196.2
Gold Mines(Ex-$ pm)	147.0	145.8	150.2	153.0	151.7	145.7	138.9
Ord. Div. Yield	6.84	6.83	6.82	6.89	6.91	6.82	6.28
Earnings, Yld. % (full)	17.25	17.23	17.21	17.38	17.52	17.31	15.89
P/E Ratio (net) (*)	7.29	7.30	7.31	7.25	7.17	7.25	8.36
Total bargains	14,962	16,701	16,125	18,650	18,222	19,583	—
Equity turnover £m	—	59.15	74.13	72.99	87.95	91.21	76.41
Equity bargains total	—	10,761	11,918	11,474	13,651	11,988	19,574

10 am 474.4. 11 am 473.6. Noon 473.3. 1 pm 472.9.
2 pm 473.2. 3 pm 472.9.
Latest Index 01-246 8026.
* Nil=7.01.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec., 1942.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/6)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/6)	66.03 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (13/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (6/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines Ex $pm)	169.5 (6/6)	95.2 (2/11)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	Aug. 15	Aug. 14
—Daily		
Gilt Edged	125.1	139.2
Industrials	132.5	130.6
Speculative	28.0	29.5
Totals	81.0	88.3
5-d'y Av'r'ge		
Gilt Edged	156.9	162.7
Industrials	130.3	133.3
Speculative	24.8	25.5
Totals	90.2	92.3

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (41)

BRITISH FUNDS (7)
Treasury 3pc 1979 — Funds. 5½pc '85-87
Elect. 4¼pc '74-79 — Treas. 12¾pc 1995
Elect. 3½pc '76-79 — Treasury 2½pc
Treas. 12pc 1984

INTERNATIONAL BANK (1)
Sec Stock 77-82

BUILDINGS (1)
Lawrence (W.)

ELECTRICALS (2)
Sound Diffusion — Wholesale Fittings

ENGINEERING (2)
Green's Economiser — Tace

FOOD (2)
Avana — Stocks (Joseph)

INDUSTRIALS (7)
British Cinc. — National Carbonising
Gripperrods — N.C.R. 4pc '83-88
Jenelour — United Carriers
Le Bas (E.)

LEISURE (1)
Photax (London)

MOTORS (1)
Plaxton's

PROPERTY (13)
Allied London — Land (M.)
Apex Props. — Land Secs. 5¾pc
Berkeley Hambro — Lynton Hldgs.
Bradford Prop. — McKay Secs.
Capital & Counties — Rush & Tompkins
Centrovincial Ests. — Town & City
Hammerson A

TRUSTS (1)
Camellia Inv.

OILS (3)
Weeks Pet. — Attock Oil
Do. Pfd. Ord.

NEW LOWS (10)

ENGINEERING (3)
Aurora — Vosper
Laird Group

INDUSTRIALS (2)
Rockware — Wilson Walton

MOTORS (1)
Brown Brg.

SHOES (1)
Garlar Booth

TEXTILES (2)
Martin (A.) — Kelmar
Reliance Knitwear

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns., Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug. 6	Aug. 17	Nov. 1	Nov. 12
Aug. 20	Aug. 31	Nov. 15	Nov. 26
Sep. 3	Sep. 14	Nov. 29	Dec. 17

For rate indications see end of Share Information Service

Money was given for the call of MFI, Avana, Town and City, Sound Diffusion, Electronic Rentals, Howard and Wyndham, National Carbonising, Stylo Shoe, KCA, Whatlings, Messina, Premier Consolidated and Armstrong Equipment. Wedgwood were dealt in for the put, while double options were arranged in MFI, European Ferries and Harris Queensway.

APPOINTMENTS

Changes at Associated Eng.

A reorganisation by ASSOCIATED ENGINEERING from October 1 will bring into operation three major sub-groups, namely, After-Market, Cylinder Components and Industrial Products, together with the existing Bearings Division, Covrad and South African activities. Managing directors of the three new groups, respectively, will be Mr. K. Corcoran, at present divisional managing director, replacement parts marketing and distribution division; Mr. W. H. Everitt, who is divisional managing director, bearings division; and Mr. M. S. Norgate, group finance director.

Mr. Corcoran, Mr. Everitt and Mr. Norgate are directors of Associated Engineering. Mr. Norgate will relinquish his position as group finance director on his new appointment and Mr. D. J. Allday will become a director of Associated Engineering and succeed him as group finance director. Mr. Allday joined the group in 1974 as finance director of its Cylinder Components Division. In 1976, he was made managing director of AE Auto Parts and in 1978 managing director of Brico Engineering.

★

Dr. Joan Smith, secretary of the British Linen Bank, is to be joint secretary of the BANK OF SCOTLAND from September 3 with Mr. David G. Antonio, the present secretary, and will take over as secretary when Mr. Antonio retires on November 2. Mr. John D. Watt, an assistant secretary of the Bank of Scotland, will become secretary of the British Linen Bank on September 3 in place of Dr. Smith.

★

Mr. Axel A. Johnson has retired as president of A. JOHNSON AND CO. and JOHNSON LINE, and has been appointed chairman of both concerns. He has been succeeded as president of the Johnson Line and its associated group of companies by his brother, Mr. B. A. Johnson and as president of A. Johnson and Co. by Mr. P. Goeran Ennerfelt, its executive vice-president.

★

Three directors have been appointed to the Board of BRITISH CARGO AIRLINES, previously IAS Cargo Airlines, following the merger with Transmeridian Al Cargo, a Cunard company. The new directors are Mr. W. B. Slater and Mr. D. M. Taylor, representing the Cunard Steam Ship Company, and Mr. R. G. Hooker, for outside shareholders. They join members of the previous IAS Board.

★

Mr. W. A. Harper has been appointed sales director of WILLIAM WATTS, a subsidiary of Aurora Holdings.

★

Dr. Ian D. Nussey has been appointed a non-executive director of BELGRAVE (BLACKHEATH).

★

Mr. John N. Little, deputy chairman of CEDAR HOLDINGS, has been appointed chairman in place of Mr. Simon Coorsh, who has resigned from the Board. Mr. Colin J. Harrison and Mr. B. A. J. Williams have been elected directors.

★

Mr. Rupert Travis will be joining the Board of SMITH AND NEPHEW ASSOCIATED COMPANIES on October 1 as finance director and company secretary. Mr. Travis is at present a manager in the corporate finance department of Hambros Bank.

★

Mr. Peter Milne is to become director of the postal operational research and management services department now being set up at the POST OFFICE headquarters. He is at present controller of the mails and transport division in the London Postal Region. The department will be formed from existing divisions in the departments of postal finance and management services and statistics and business research.

★

Mr. Len Davis has become general sales director of PHILIPS VIDEO DIVISION. Mr. D. Holmes has been made national executive sales director and Mr. R. Robertson, national sales manager.

★

Mr. R. J. Weedon has been appointed a director of HOTEL MICROSYSTEMS, Woldingham, Surrey.

★

The BISHOPSGATE INSURANCE COMPANY states that following its acquisition by Bain Dawes, Mr. W. E. Ford has been appointed chairman and Mr. R. H. Warrender and Mr. F. C. Locke join the Board. Mr. R. B. Adams, Mr. L. J. A. Collins and Mr. A. M. Robb have resigned from the Board.

★

Mr. J. A. Champion, who was until recently treasurer of BL (formerly British Leyland), has been appointed chief manager, special projects, international division, BARCLAYS BANK INTERNATIONAL, head office.

★

Mr. Christopher J. R. May is to become group chief accountant of BOC INTERNATIONAL on October 1. He joins the company from TANSLEY WITT AND CO.

★

Dr. D. Hatch has been appointed to the Board of FERODO as director of research and development. The company is a subsidiary of Turner and Newall.

★

Ascon Corporation has appointed at its wholly-owned subsidiary, DENNEN STEEL CORPORATION, Mr. Philmore H. Dennen as chairman and chief executive officer and Mr. David J. Fox as president and chief operating officer. These appointments were made in recognition of Mr. Dennen's increased responsibilities as the recently elected National President of the Association of Steel Distributors.

★

Mr. Martin Nathanson has been appointed a director of SENTRY INSURANCE GROUP (UK) and a director of its member companies City of Westminster Assurance and Sentry Motor Insurance. He joined Sentry in May 1976 as group investment manager.

★

Dr. R. W. Williams has been elected director and deputy chairman of Morris Ashby and director and chairman of Amalgamated Oxides (1939). Mr. C. C. Edwards has resigned his deputy chairmanship of Morris Ashby, but continues as a director of Morris Ashby and Amalgamated Oxides (1939). The companies are subsidiaries of BILLITON (UK).

LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines index.

Food Retailing	+39.92	Shipping	+10.89
Property	+37.96	Capital Goods Group	+7.38
Banks	+28.42	Other Groups	+6.46
Merchant Banks	+28.22	Investment Trusts	+5.94
Electronics, Radio and TV	+26.97	Engineering Contractors	+4.57
Oils	+25.93	Tobaccos	+4.42
Breweries	+24.23	Metal and Metal Forming	+3.55
Discount Houses	+24.13	Hire Purchase	+3.32
Mining Finance	+21.60	Food Manufacturing	+3.22
Electricals	+18.73	Contracting and Construction	+2.95
Overseas Traders	+16.77	Insurance (Composite)	+2.47
Consumer Goods (Non-Durable) Group	+16.76	Chemicals	+1.96
Entertainment and Catering	+16.57	Mechanical Engineering	+1.38
Gold Mines F.T.	+15.12	Packaging and Paper	−1.86
Financial Group	+13.89	Motors and Distributors	−5.93
Banks	+13.83	Office Equipment	−6.55
Consumer Goods (Durable) Group	+13.79	Pharmaceutical Products	−6.38
500-Share Index	+13.49	Household Goods	−6.62
Wines and Spirits	+13.28	Textiles	−8.26
All-Share Index	+13.23	Insurance Broking	−10.93
Insurance (Life)	+12.76	Toys and Games	−14.48
Newspapers and Publishing	+11.81		
Building Materials	+11.35		
Industrial Group	+11.18		

Percentage changes based on Tuesday, August 14, 1979 indices.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Hawker Siddeley	25p	9	184	−14	278	178
Marks & Spencer	25p	8	119	—	134	83
RTZ	25p	8	297	+7	362	226
ICI	£1	7	341	—	415	314
Shell Transport	25p	7	334	+4	402	278
Spillers	25p	7	49½	+10	49½	30½
BAT Inds.	25p	6	282	−1	362	255
Barclays Bank	£1	6	435	—	514	360
BP	£1	6	1,200	+5	1,295	882
Courtaulds	25p	6	88	—	122	82
Glaxo	50p	6	428	—	600	428
LASMO	25p	6	264	+14	264	124
Towles	10p	6	105	+7	105	48
Unilever	25p	6	505	−5	680	482
Allied Breweries	25p	5	93	+1	102	80

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Arrow Chemicals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Barker Hldgs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Fairline Boats	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	[illegible]	[illegible]	[illegible]	Mercantile House	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Metsec Ord.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	St. George Assets 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	[illegible]	[illegible]	[illegible]	Standard Tel. & Cables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Aurora 8¼% Conv. Cum. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bradford Prop. 10¼% Cum. Pref.	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	English & Overseas Inv. Conv.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Essex Water 8% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hanson Trust 2% 2nd Mort. Deb. 87/92	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. 12% 2nd Mort. Deb. 85-90	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. 12% 2nd Mort. Deb. 90-93	[illegible]	[illegible]
97	[illegible]	[illegible]	[illegible]	[illegible]	Scot. Agricultural Sec. 12% Deb. 97-99	[illegible]	[illegible]
100p	[illegible]	[illegible]	[illegible]	[illegible]	Stonehill 10% Cum. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sund. & S. Shields Water 9% Pref. 1986	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Wrexham Water 9% 1984	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
14	Nil	[illegible]	[illegible]	[illegible]	Abwood Machine Tools	[illegible]	[illegible]
25	Nil	[illegible]	[illegible]	[illegible]	Bank & Commercial	[illegible]	[illegible]
110	Nil	[illegible]	[illegible]	[illegible]	Bank Leumi	[illegible]	[illegible]
A$2	Nil	[illegible]	[illegible]	[illegible]	Central Securities	[illegible]	[illegible]
30	[illegible]	[illegible]	[illegible]	[illegible]	Bank of New South Wales	[illegible]	[illegible]
25	[illegible]	[illegible]	[illegible]	[illegible]	Central Securities	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Goodkind (W.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Goldberg (A.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hanson Trust	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hargreaves	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hay's Wharf	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Highland Dist.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Inch Lloyd Int.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Intl. Timber	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lennons	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	London Inv. Trust	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ovenstone	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Stylo Shoes	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	UBM	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yorkgreen Invs.	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

No.	Equity groups & sub-sections	Wed., Aug. 15, 1979: Index No., Day's Change %, Est. Earnings Yield % (Max.), Gross Div. Yield % (ACT at 30%), Est. P/E Ratio (Net); Tues. Aug. 14; Mon. Aug. 13; Fri. Aug. 10; Thurs. Aug. 9; Year ago (approx.)
1	CAPITAL GOODS (172)	[illegible]
2	Building Materials (27)	[illegible]
3	Contracting, Construction (28)	[illegible]
4	Electricals (15)	[illegible]
5	Engineering Contractors (12)	[illegible]
6	Mechanical Engineering (74)	[illegible]
8	Metals and Metal Forming (16)	[illegible]
	CONSUMER GOODS (DURABLE) (52)	[illegible]
11	Lt. Electronics, Radio, TV (16)	[illegible]
12	Household Goods (13)	[illegible]
13	Motors and Distributors (23)	[illegible]
	CONSUMER GOODS (NON-DURABLE) (171)	[illegible]
21	Breweries (14)	[illegible]
22	Wines and Spirits (6)	[illegible]
23	Entertainment, Catering (17)	[illegible]
24	Food Manufacturing (19)	[illegible]
25	Food Retailing (15)	[illegible]
26	Newspapers, Publishing (12)	[illegible]
32	Packaging and Paper (15)	[illegible]
33	Stores (41)	[illegible]
34	Textiles (23)	[illegible]
35	Tobaccos (3)	[illegible]
36	Toys and Games (6)	[illegible]
41	OTHER GROUPS (99)	[illegible]
42	Chemicals (18)	[illegible]
43	Pharmaceutical Products (7)	[illegible]
44	Office Equipment (6)	[illegible]
45	Shipping (10)	[illegible]
46	Miscellaneous (58)	[illegible]
49	INDUSTRIAL GROUP (494)	[illegible]
51	Oils (6)	[illegible]
59	500 SHARE INDEX	[illegible]
61	FINANCIAL GROUP (116)	[illegible]
62	Banks (6)	[illegible]
63	Discount Houses (10)	[illegible]
64	Hire Purchase (5)	[illegible]
65	Insurance (Life) (10)	[illegible]
66	Insurance (Composite) (8)	[illegible]
67	Insurance Brokers (10)	[illegible]
68	Merchant Banks (14)	[illegible]
69	Property (43)	[illegible]
70	Miscellaneous (10)	[illegible]
71	Investment Trusts (110)	[illegible]
81	Mining Finance (4)	[illegible]
91	Overseas Traders (20)	[illegible]
99	ALL-SHARE INDEX (750)	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed. Aug. 15	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	105.70	+0.29	—	[illegible]
2	5-15 years	118.97	+0.56	—	[illegible]
3	Over 15 years	125.93	+0.61	—	[illegible]
4	Irredeemables	139.71	+0.83	—	[illegible]
5	All stocks	116.16	+0.46	—	[illegible]

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

		Wed. Aug. 15	Tues. Aug. 14	Year ago (approx.)
1	Low Coupons 5 years	[illegible]	[illegible]	[illegible]
2	Low Coupons 15 years	[illegible]	[illegible]	[illegible]
3	Low Coupons 25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons 5 years	[illegible]	[illegible]	[illegible]
5	Medium Coupons 15 years	[illegible]	[illegible]	[illegible]
6	Medium Coupons 25 years	[illegible]	[illegible]	[illegible]
7	High Coupons 5 years	[illegible]	[illegible]	[illegible]
8	High Coupons 15 years	[illegible]	[illegible]	[illegible]
9	High Coupons 25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables	[illegible]	[illegible]	[illegible]

		Wed., Aug. 15 Index No.	Yield %	Tues. Aug. 14	Mon. Aug. 13	Fri. Aug. 10	Thurs. Aug. 9	Wed. Aug. 8	Tues. Aug. 7	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p. ● Corrected indices for August 13.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgrs. (a)

Allen Harvey & Ross Unit Tst. Mgrs.

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co., Ltd.♥ (a)(x)

Bishopsgate Progressive Mgmt. Co.♥

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd.♥ (a)

Brown Shipley & Co. Ltd.♥

Canada Life Unit Tst. Mngrs. Ltd.♥

Capel (James) Mngt. Ltd.♥

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)

Charities Official Invest. Fund♥

Chieftain Trust Managers Ltd.♥ (a)(g)

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmnt. Ltd.

Equity & Law Un. Tr. M.♥ (a)(b)(c)

Family Fund Trust Mgrs. (a)(b)

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.♥

Funds in Court♥

G.T. Unit Managers Ltd.♥

G. & A. Trust (a) (g)

Gartmore Fund Managers♥ (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)♥

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration♥ (a)(c)(g)

Hill Samuel Unit Tst. Mgrs.♥ (a)

Investment Intelligence Ltd.♥ (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers♥

L & C Unit Trust Management Ltd.♥

Legal & General Tyndall Fund♥

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.♥

M & G Group♥ (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.♥ (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt.♥ (a)

Mutual Unit Trust Managers♥ (a)(g)

National and Commercial

National Provident Inv. Mngrs. Ltd.♥

National Westminster♥ (a)

NEL Trust Managers Ltd.♥ (a)(g)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.♥ (a)

Practical Invest. Co. Ltd.♥ (y)(c)

Provincial Life Inv. Co. Ltd.♥

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)

Quilter Management Co. Ltd.♥

Reliance Unit Mgrs. Ltd.♥

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.♥ (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group♥

Schlesinger Trust Mngrs. Ltd. (a)(z)

Scottish Equitable Fnd. Mgrs. Ltd.♥

Sebag Unit Tst. Managers Ltd.♥ (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.♥ (a)(g)

TSB Unit Trusts (y)

Ulster Bank♥ (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

J. Henry Schroder Wagg & Co. Ltd.♥ (a)(c)

Scottish Widows' Group

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers♥

Transatlantic and Gen. Secs. Co.♥ (a)(g)

Tyndall Managers Ltd.♥

INSURANCE & PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.♥

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.♥

Canada Life Assurance Co.

Cannon Assurance Ltd.♥

Capital Life Assurance♥

Charterhouse Magna Gp.♥

Chieftain Assurance Funds

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.♥

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.♥

Gartmore Bonds

General Portfolio Life Ins. C. Ltd.♥

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.♥

Guardian Royal Exchange

Hambro Life Assurance Limited♥

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.♥

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.♥

M & G Group♥

Manufacturers Life Insurance Co.

Merchant Investors Assurance♥

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (U.K.) Ltd.♥

Norwich Union Insurance Group♥

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.♥

Property Growth Assur. Co. Ltd.♥

Providence Capitol Life Ass. Co. Ltd.

Prudential Pensions Limited♥

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group♥

Schroder Life Group♥

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Solar Life Assurance Limited

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions♥

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.♥

Windsor Life Assur. Co. Ltd.

OFFSHORE & O'SEAS FUNDS

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Australian Selection Fund NV

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive Mgmt. Co.

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Britannia Tst. Mngmt. (C.I.) Ltd.

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Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

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Hill Samuel Invest. Mgmt. Intnl.

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King & Shaxson Mngrs.

Kleinwort Benson Limited

Leopold Joseph & Sons (Guernsey)

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

M & G Group

Midland Bank Tst. Corp. (Jersey) Ltd.

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

Negit Ltd.

Pacific Basin Fund

Phoenix International

Providence Capitol Life Ass. (C.I.)

Quest Fund Mngmnt. (Jersey) Ltd.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Rothschild Asset Mgt. (Bermuda)

Royal Trust (C.I.) Fd. Mgt. Ltd.

Save & Prosper International

Schlesinger International Mngt. Ltd.

Schroder Life Group

J. Henry Schroder Wagg & Co. Ltd.

Sentry Assurance International Ltd.

Singer & Friedlander Ldn. Agents

Standard Chartered Intl. Bd. Fd.

Stronghold Management Limited

Surinvest (Jersey) Ltd. (x)

TSB Unit Trust Managers (C.I.) Ltd.

TSB Gilt Fund Managers (C.I.) Ltd.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

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Union-Investment-Gesellschaft mbH

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United States Tst. Intl. Adv. Co.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

World Wide Growth Management

Wren Commodity Trust

Wren Commod. Tst.

N.V. Interbeheer

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BRITISH FUNDS

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[illegible]

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[illegible]

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[illegible]

Undated

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INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

107	100	Do. 14pc '79	101	14.24	—
108¼	98¾	Do. 14pc '83	103¼	13.53	12.89
86½	77½	ICFC 5½pc Deb. '80-82	83xd	6.62	12.00
85	71½	Do. 6¼pcDb. '81-84	79	3.09	12.30
99	84½	Do. 10¼pc Uns.Ln. '86	93 +½	11.46	12.40
99	84½	Do. 11pc Uns.Ln. '88	94½	11.79	12.20
101½	84	Do. 11¼pc Uns.Ln. '90	96½	12.35	12.60
72½	57	Do. 7¼pcADeb. '89-92	66½	11.20	12.90
69	53½	Do. 7¾pcA Db. '91-94	63½xd	11.41	12.80
81½	64½	Do. 9pc'A' '91-94	74½xd	12.08	12.90
78½	62½	Do. 8⅞pcLn. '92-97	72½xd	12.24	12.70
102	95½	Do. 12½pc. Uns. Ln. 1992	98xd	12.75	12.80

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 13⅛% (based on US$2.2390 per £)
Conversion factor 0.8838 (0.8950)

CANADIANS

[illegible]

S.E. List Premium 13⅛% (based on $2.6262 per £)

BANKS AND HIRE PURCHASE

[illegible]

£17¼	930	Com'zbk DM 100	£10¾	Q26.8%	—	6.6	—
£18½	£10¼	C'hgn. Hbk. Kr100	£10¾	Q12%	—	11.1	—
41	29	Corinthian 10p	36	1.05	5.9	4.2	4.1
£24¾	£15	Cred. France F75	£17	Q9.07%	—	3.8	—
16	12	Dawes (G. R.)	13 +1	—	—	—	—
£121	£64	Deutsche Bank DM50	£67½	Q28.12%	—	5.1	—
90	63	F. C. Finance	63	2.2	4.9	5.0	5.8
8¼	5¼	First Nat. 10p	6	—	—	—	0.4
4	2	Do. Wrts. 75-83	2½	—	—	—	—
266	178	Gerrard Natnl.	266	9.12	—	4.9	—
62	39	Gibbs (A.)	52	2.2	—	6.0	—
270	217	Gillett Bros. £1	223	†16.95	—	10.9	—

BANKS & HP—Continued

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Hire Purchase, etc.

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MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	12	......	—	—	—
14	4	ACM 20c	10	−1	—	—	—
171	100	Bougainville 50 Toea	125	......	Q15c	1.0	6.1
140	84	BH South 50c	108	−2	—	—	—
860	340	Central Pacific	780	−20	—	—	—
318	170	Conzinc Riotinto 50c	212	+4	hQ10c	2.0	2.4
36	16	Cultus Pacific N.L.	19	......	—	—	—
13	5	Eagle Corp. 10c	9½	......	—	—	—
21½	11	Endeavour 20c	14	+½	—	—	—
98	62	G.M. Kalgoorlie $1	86	+1	20.5c	—	1.8
42	23	Haoma Gold N.L.	29	......	—	—	—
210	148	Hampton Areas 5p	205xd	......	3.5	2.8	2.4
71½	25	Metals Ex. 50c	45	......	—	—	—
275	168	M.I.M. Hldgs. 50c	200	−4	†Q9c	1.7	2.3
15	15	Minefields Expl.	15	......	—	—	—
74	30	Mount Lyell 25c	44	......	—	—	—
44	14	Newmetal 20c	16	......	—	—	—
141	91	North B. Hill 50c	110	−1	†Q6c	1.3	3.7
22	11	Nth. Kalgurli	18	......	—	—	—
40	22	Nth. West Mining	30	−1	—	—	—
137	76	Oakbridge $A1	87	+3	Q12c	1.9	7.3
39	22	Otter N. L.	39	......	—	—	—
120	58	Pacific Copper	110	−4	—	—	—
£10¾	625	Pancont'l 25c	775	......	—	—	—
25¾	15½	Paringa M&E 5p	22½	......	—	—	—
510	268	Peko-Wallsend 50c	332	+2	Q15c	3.3	2.3
340	145	Southern Pacific	295	−5	—	—	—
29	11	Swan Resources 20c	18	......	—	—	—
16	12	West Coast 25c	13	......	—	—	—
168	121	Westn. Mining 50c	160	+2	†Q3c	0.7	1.0
11	9	Wesmex	10	......	—	—	—
65	50	Whim Creek 20c	60	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	28	+1	2.87	1.3	14.3
435	265	Ayer Hitam $M1	315	−5	Q300c	0.5	20.5
72	51	Beralt Tin	51	......	4.0	3.3	11.2
270	175	Berjuntai $M1	195	−5	Q95c	φ	11.3
160	125	Geevor	130	......	8.71	3.1	9.6
10½	6	Gold & Base 12½p	8	......	—	—	—
365	295	Gopeng Cons.	310	......	†18.0	1.4	8.3
370	295	Hongkong	320	......	†12.5	2.8	5.6
96	64	Idris 10p	85	−2	†3.0	1.6	13.4
14	9¼	Jantar 12½p	11	......	♦—	—	—
95	58	Kamunting $M0.50	80	+4	Q47½c	φ	14.7
620	210	Killinghall $M1	340	......	—	—	—
465	365	Malay Dredging $M1	435	+15	†175c	0.7	1.5
57	28	♠Pahang	33	......	—	—	—
123	60	Pengkalen 10p	120	−5	4.5	1.2	5.6
275	195	Petaling $M1	240	+15	†Q120c	1.3	10.7
85	62	Saint Piran	75	+1	†2.03	6.5	3.9
58	43	South Crofty 10p	43	......	†4.19	2.0	13.9
230	170	South Kinta $M0.50	210	+15	Q150c	φ	17.2
405	285	Sthn Malayan $M1	355	−5	†Q190c	1.0	11.5
310	210	Sungei Besi $M1	225xd	......	Q520c	φ	51.9
75	40	Supreme Corp. $M1	45	......	Z010c	—	4.8
105	94	Tanjong 15p	97	......	7.5	0.7	11.3
115	90	Tongkah H. Tin	95	+2	†Q24c	0.7	5.7
280	190	Tronoh $M1	210	−5	Q25c	5.2	2.7

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
111	56	Messina R0.50	87	+5	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	58	−4	—	—	—
13½	10	Burma Mines 17½p	11	......	—	—	—
345	170	Cons. Murch. 10c	265	+5	Z030c	—	5.8
410	290	Northgate C$1	345	−10	—	—	—
362	226	R.T.Z.	297	+7	11.5	2.7	5.5
31	18	Robert Mines	26	......	—	—	—
65	30	Sabina Inds. C$1	35	......	—	—	—
880	525	Tara Exptn. $1	550	−25	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$17½	$10½	Buffels R1	$16⅛	+⅛	Q200c	φ	15.0
$15½	890c	East Drie R1	$12½	......	†Q115c	1.6	11.1
$10¼	350c	East Rand Prp. R1	950c	+38	†Q10c	—	1.3
$27⅝	$18¼	F.S. Geduld 50c	$27¼	+¼	†Q315c	2.4	14.0
$19⅝	$11⅛	Pres. Brand 50c	$18⅝	+⅝	†Q150c	3.2	9.7
$18⅞	$10⅛	St. Helena R1	$17¼	+¼	†Q190c	1.4	13.3
760c	407c	Sulfontein 50c	690c	+5	†Q66c	1.7	11.6
$35¼	$18¼	Vaal Reefs 50c	$31½	+¼	†Q280c	2.7	11.2
$50¼	$28¼	West Drie R1	$45¼	+¼	Q625c	φ	16.3
$36½	$22¼	West Hldgs. 50c	$32¾	+1	†Q415c	1.4	15.4
$18½	$10⅛	Western Deep R2	$14⅜	+⅛	†Q147½c	2.1	13.4

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or in EEC currencies are quoted inclusive of the investment dollar premium.

- ♠ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- ¶ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ☐ Not comparable.
- ♣ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- ☆ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xcd ex capital distribution.

"Recent Issues" and "Rights" Page 32

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv. 20p	26	......	Sindall (Wm.)	165	......
Bertam	22	......	**IRISH**		
Bdg'wtr. Est. 50p	405	......	Conv. 9% '80/82	£86xd	......
Clover Croft	28	......	Nat. 9¾% 84/89	£71⅞	+⅛
Craig & Rose £1	£11½	......	Fin. 13% 97/02	£86¼	+¼
Dyson (R. A.) A	26	......	Alliance Gas	85	......
Ellis & McHdy	180	......	Arnott	330	......
Fife Forge	54	......	Carroll (P.J.)	105	......
Finlay Pkg. 5p	19½	......	Clondalkin	81	......
Graig Ship. £1	315	......	Concrete Prods.	75	−12
Higsons Brew	75	......	Heiton (Hldgs.)	74xd	......
Holt (Jos) 25p	260	......	Ins. Corp.	190	......
I.O.M. Stm. £1	155	......	Irish Ropes	70	......
Pearce (C. H.)	265	......	Jacob	40	......
Peel Mills	30	......	T M G	165	......
Sheff. Refrshm.	105	......	Unidare	79½xd	......

OPTIONS
3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		I.C.I.	24	Tube Invest.	30
A. Brew	9	"Imps"	5	Unilever	55
BOC Intl.	6	I.C.L.	55	U.D.T.	5
B.S.R.	7	Inveresk	7	Utd. Drapery	10
Babcock	18	KCA	5	Vickers	18
Barclays Bank	32	Ladbroke	22	Woolworths	7½
Beecham	52	Legal & Gen.	14		
Blue Circle	18	Lex Service	11	**Property**	
Boots	18	Lloyds Bank	25	Brit. Land	7½
Bowaters	18	"Lots"	5	Cap. Counties	9
B.A.T.	28	London Brick	7	Land Secs.	25
Brown (J.)	50	Lonrho	8	MEPC	17
Burton 'A'	26	Lucas Inds.	25	Peachey	13
Cadburys	7	"Mams"	18	Samuel Props.	14
Courtaulds	10	Mrks. & Spncr.	11	Town & City	2¼
Debenhams	8	Midland Bank	30		
Distillers	21	N.E.I.	14	**Oils**	
Dunlop	6½	Nat West Bank	26	Brit. Petroleum	100
Eagle Star	14	Do. Warrants	15	Burmah Oil	13
E.M.I.	12	P & O Dfd	10	Charterhall	5
Gen. Accident	21	Plessey	10	Premier	5
Gen. Electric	35	R.H.M.	5	Shell	25
Glaxo	50	Rank Org.	25	Ultramar	25
Grand Met.	14	Reed Intnl.	15		
G.U.S. 'A'	30	Sears	5½	**Mines**	
Guardian	24	Spillers	4½	Charter Cons.	16
G.K.N.	28	Tesco	7	Cons. Gold	20
Hawker Sidd.	26	Thorn	35	Rio T. Zinc	27
House of Fraser	18	Trust Houses	17		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Thursday August 16 1979

NEB in £5m U.S. venture

By Max Wilkinson

THE National Enterprise Board yesterday announced its first new investment to be approved by the Conservative Government a £5m joint venture with a small U.S. company.

The NEB is to obtain a half share in the venture for making and producing portable micro-computer systems.

Its partner, the Q1 corporation of Hauppauge, New York, is contributing know-how and personnel but no capital. The investment was recently approved by Sir Keith Joseph, the Industry Secretary.

Q1 reported sales of $4.5m with pre-tax profits of $370,000 last year. It has 110 employees.

The company makes a small desk top computer system with a printed and plasma display (like an enlarged calculator window), which can be adapted to several purposes. With the appropriate programming it can be used for scientific computing, accounting or electronic typing.

The NEB intends to set up a manufacturing and a research centre in the UK to develop the product. The full details of the deal are still vague since the NEB says the legal formalities have not yet been completed.

The NEB said: "It is the intention of both parties that part of the joint venture company's equity should be placed with other investors at an appropriate time."

However, the NEB was not able to say when, or how, this might happen. In the meantime it appears that Q1 will obtain about half the equity of the joint venture in exchange for its know-how.

The NEB said it had chosen a joint venture arrangement rather than a more conventional licence agreement with Q1 to obtain closer links with the future development of the product.

The new venture is said not to be one of the group of associated companies through which the NEB sugsidiary NEXOS, intends to develop an integrated system of electronic office equipment.

NEXOS is a research development and marketing subsidiary intended to work with a group of manufacturing companies in which the NEB has taken minority stakes.

Talks have, however, been held with NEXOS about "co-operation" in marketing the Q1 systems.

World population 'up 50% by year 2000'

BY DAVID DODWELL

MEXICO CITY is expected by the year 2000 to be the world's largest city with a population of almost 32m people. According to figures published by the World Bank today it will be among 52 cities with populations higher than 5m, of which 40 are in the developing world.

The bank says in its annual World Development Report, that total world population can be expected to increase by about 50 per cent in the last quarter of this century, from the present 4.1bn to 6bn.

The great majority of this increase will be concentrated in the developing world. Most of it will take the form of urban sprawl around cities like Calcutta, Sao Paulo, Bombay and Rio de Janiero.

Some of these cities are already notorious for their squalor, which results from poor housing, inadequate sanitation and public services, congestion, pollution and chronic unemployment.

The World Bank fears that the increase in urban populations in the developing world is continuing at such a rapid pace that the problems already admitted will become even more pernicious.

In 1950, only one city in the Third World had a population of more than 5m—Buenos Aires. At the same time, five cities in the industrialised world had more than 5m.

City	Population year 2000* ('000)	Population latest census* ('000)
Mexico City	31,616	11,943
Sao Paulo	26,045	7,693
Calcutta	19,663	7,031
Rio de Janeiro	19,383	4,658
Greater Bombay	19,065	5,970
Seoul	18,711	7,525
Jakarta	16,933	4,576
Cairo	16,389	5,715
Karachi	15,862	3,498
Buenos Aires	13,978	8,925
Industrialised nations (random selection):		
New York	22,212	16,206
Tokyo	26,128	11,622
London	12,693	7,281

* Direct comparisons are difficult because of varying area definitions.

But by the year 2000, about 40 of the cities expected to have populations of more than 5m will be in developing countries. Just 12 will come from the industrialised world.

About 18 of the cities from developing countries will have populations of more than 10m.

Demographers are seriously concerned about the stresses likely to be created by such a massive concentration of people in Mexico City, and the handful of other cities.

The World Bank shares their concern, and has set out in its latest report a number of proposals intended to alleviate these stresses.

It suggests the creation of new cities, and the imposition of austere population control programmes. It also proposes complex measures to reduce migration from the countryside to the cities, and to improve the quality of life for those who will live in them.

The bank criticises the governments of certain developing countries for adopting urban development programmes which benefit a small but wealthy minority of the population.

Such programmes include: a cars rather than for buses and bias towards building roads for other cheap forms of transport; a bias towards curative medicine rather than preventive medicine; the provision of high quality public housing for a few instead of lower standard provisions for many; a preference for slum clearance, which dislocates the life of large numbers of the urban poor, rather than upgrading slum areas by providing basic services, sanitation, and fresh water.

The report also stresses the bank's raditional concerns that industrialised countries step up aid of the Third World and reduce protectionist barriers to developing country goods. It paints a relatively rosy picture of develouing countries' ability to service their debts in the next

Details, Page 2; Editorial Comment, Page 18; Economic Viewpoint, Page 19

Rolls and Japan in engine deal

By Michael Donne, Aerospace Correspondent

THE JAPANESE Government has agreed in principle to join Rolls-Royce in a £300m development of a new jet engine, the RB-432, for a new generation of 130-160 seat short-to-medium-range airliners.

Talks on the venture have been under way for some time between the UK company and the Japanese Ministry for International Trade and Industry.

The precise Japanese share is still subject to final agreement but could be rather more than half the final cost. It is unlikely to exceed two-thirds.

Further negotiations will be held between Rolls-Royce and the three main Japanese aero-engine companies—Ishikawajima-Harima Heavy Industries, Kawasaki Heavy Industries and Mitsubishi Heavy Industries.

If, as hoped, these can be completed by the end of this year, the Japanese Government will provide initial funds for its share of the venture in the national budget for the financial year starting next April.

The negotiations will cover which parts of the new engine will be built by which companies, together with arrangements for final assembly. Development of the new engine will take several years.

In the UK, the agreement will enable Rolls-Royce to get its share of the funding for the new engine from the National Enterprise Board, which owns the company on behalf of the Government, although part of the development cash has already been allocated from Rolls-Royce resources.

The RB-432 is an engine of between 15,000 lbs and 18,000 lbs thrust—much smaller than the 30,000 lbs-plus RB-211.

It is designed for airliners seating 130-160 passengers planned for the mid-1980s onwards by such manufacturers as Airbus Industrie in Europe and Boeing in the U.S.

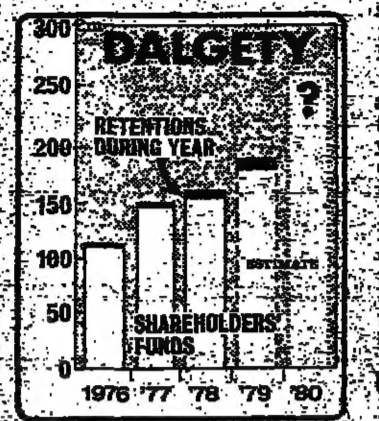
It is unlikely, however, that it will be used on the new ventures now under way—the European A-300 250-seat and A-310 200-seat Airbuses and the Boeing 767 and 757 twin-engined airliners. These are bigger aircraft, for which bigger engines, such as the Rolls-Royce RB-211 Dash 535 of 30,000 lbs thrust, are already available.

News Analysis, Page 8

THE LEX COLUMN

Trouble at t'Mill for Dalgety

Index fell 0.9 to 474.2



It is early days yet, but already the odds are stacking up against Dalgety in its attempt to acquire Spillers. In the first place, this is a very big bid for Dalgety, which is capitalised at £136m and is proposing an all-equity offer worth £74m, or 50p per share. More often than not takeovers on this scale require a willing victim—and Spillers has already rejected the terms.

In addition, the price is not wildly attractive even allowing for Spillers' dismal financial and management record. Spillers has net tangible assets of £96m, modern milling plant, and a number of valuable brand names. Its profits in the year to last February were £14.7m pre-tax, after losses of £2.5m in the discontinued baking business.

Analysts have been busily writing down their profit forecasts as a result of growing pressure on milling margins, and some are now projecting a pre-tax decline this year. But there *must* be at *least* a chance that the flour price will go up in the near future, after a freeze of about 17 months. That would make all the difference to any defence forecast from Spillers, since its flour side probably made profits of roughly £10m last year.

Dalgety would be pushed to improve its current terms significantly. At present it is offering Spillers' shareholders 35 per cent of the enlarged equity, which is roughly in line with their contribution to combined earnings and assets. If it offers more shares, it will start to dilute its earnings and devalue its bid currency. And it does not seem to be in a position to push out big slabs of cash or debt. If the bid went through, debt would probably represent over two-thirds of shareholders' funds — which, including minorities, could exceed £300m.

Dalgety shares held steady yesterday, thanks in good part to its forecast of a 53 per cent dividend increase for 1978-79. But Spillers represents a real risk in management terms for Dalgety, which has already expanded its equity base by about three-fifths since 1976 as a result of rights issues and takeovers. Spillers would take it into some viciously competitive areas of the food manufacturing business. And it is very significant that the bid has led to the resignation of Mr Alfred Singer, a non-executive director of Dalgety, who is well known in the City and who cut his teeth in the food business as a former deputy managing director of Tesco.

But although Dalgety's chances may not look good at this stage, Spillers' days of independence could still be numbered. Its shareholders have no cause for undying loyalty, and Dalgety's approach could conceivably trigger a counter bid.

Tube Investments

At its annual general meeting in mid-May, Tube Investments had warned that first half profits would be down because of the industrial disruption earlier this year. But a one-fifth drop in interim pre-tax profits to £30.4m is disappointing and the only consolation for shareholders is that the net interim dividend has been increased by 14 per cent. The shares, which closed unchanged on the day at 334p, now yield over 14 per cent assuming the final dividend is increased in line with the interim.

It looks as if Tubes was harder hit by the industrial troubles at the beginning of the year than first thought. First quarter profits were "substantially lower" than in the corresponding quarter last year. By the second quarter things were back to normal but the combination of higher interest rates and sterling's appreciation hindered the recovery.

Once again it is the consumer appliance side of the business which has proved the star performer. Volume is up by over 20 per cent and pre-interest profits are more than doubled to £6.3m. But elsewhere Tube's performance has mirrored the problems currently facing much of UK industry. Margins on the steel tube business have been under strong pressure particularly in the export markets and the cycle operation, which had made £5.7m in the previous half year has turned in a £1m loss. Apart from the adverse impact of the exchange rate there are special problems in its two major overseas markets—Nigeria and Iran.

All being well there should be a substantial improvement in the first half and full year profits could be of the order of £76m (against £80m). British Aluminium, which yesterday reported a 13 per cent fall in interim profits, should do better, for example. But this improvement could be badly upset if the latest bout of unrest in the engineering industry escalates.

Unilever

Unilever began 1979 looking for 3 per cent growth in sales volume, rather below the rate that it had enjoyed in the last nine months of 1978. In the first quarter of this year the target was comfortably reached, but in the April-June quarter, when pre-tax profits were barely changed at £186m, it has only been achieved by adding in the sales of National Starch—not part of the group in the first half of 1978. Now that GNP growth is slowing—not only in the West but in some important Third World markets, it is beginning to look unlikely that the target will be met in the last six months of this year.

As usual, the breakdown of activities is a positive fairground of swings and roundabouts. European markets have been fair, overall, frozen foods have shone because of high fresh vegetable prices, and in the U.S. Liptons is still doing well. But export business, especially to Africa, has been weak, and UAC Nigeria shows a substantial fall. The final pre-tax figure for 1979 will depend heavily on the closing sterling rate, but on the basis of exchange rates it may be little different from last year's £600m.

This put the shares, down 5p yesterday at 505p, on a p/e of about 6½ fully taxed; the historic yield is 6.4 per cent, and nothing very much in the way of a dividend increase can be expected. The Limited/NV switch has been distorted by the dollar premium and by the bottled-up dividend in Limited. But now that the switch may be made cleanly it would be surprising if the present 15 per cent premium of Limited over NV, which just covers a UK gross fund's liability to Dutch withholding tax, were to widen much further.

Increase in wages may equal previous round

BY DAVID FREUD

THE OUTCOME of the current wage round now appears certain to be very close to last year's.

In the first 11 months of the round, to June, average earnings rose by 12.8 per cent, the Department of Employment said yesterday.

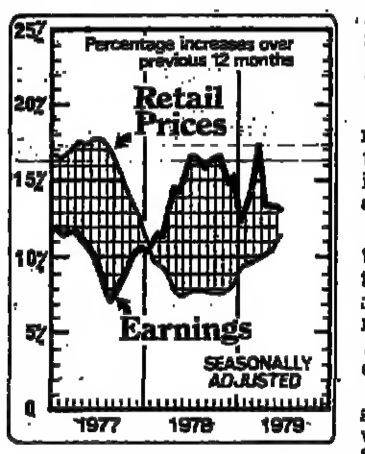
This figure was slightly lower than the 13.8 per cent rise in the same period of the last round; but the gap is closed by two main factors.

● More employees had settled at this stage in the last round *than in the current one*—particularly teachers and National Health workers.

● The last round's total for the first 11 months was swollen by back-pay, which is estimated to have added about 0.5 per cent to the index.

These two factors will not influence the make-up of the index for July, the final month of the round, when the annual increase should be close to the 14.2 per cent recorded last year.

The new index of average earnings, covering the whole economy, rose 13.2 per cent over the latest 12 months to stand at 150.7 in June (Jan. 1976=100, not seasonally



adjusted). This compares with a 13.5 per cent rise in the year to May.

The old index, covering 11m mainly production workers, rose 16 per cent in the year to June to 386.1 (Jan. 1970=100, seasonally adjusted), compared with a 14.4 per cent rise in the year to May.

The index for basic weekly wage rates increased 11.4 per cent in the year to July 31 to 295.0 (July 31, 1972=100).

The earnings index for July is expected to show that prices are now moving ahead of earnings for the first time since the beginning of last year.

While earnings will have risen by about 14 per cent in the year to July, the retail price index is expected to show a gain of about 15 per cent.

The Government claims that the gap is more than bridged by the Budget cuts in income tax and is introducing tomorrow a new tax and prices index intended to demonstrate the effects of the tax cuts.

Yesterday, the National Consumer Council said it had written to Mr. John Nott, Trade Secretary, welcoming the new index, but stressing that it should not be presented as a standard of living index.

"It is also absolutely crucial that the index should relate to people in general or to real, identifiable groups of people, not to hypothetical, typical families."

For this reason it should include employees' national insurance contributions and child benefits.

Cyclical indicators, Page 5; Welsh TVC pay statement, Page 8

Acrow set to buy Aveling

By Hazel Duffy, Industrial Correspondent

THE ACROW group is expected to announce soon that it is in advanced negotiations with BL for the purchase of the major part of the Aveling Barford group of construction equipment companies.

The deal will cover Aveling Barford Limited, based at Grantham, Lincs. But it will exclude Aveling Marshall of Gainsborough, where large financial losses have forced BL to plan for the closure of the plant later this year.

Barfords of Belton and Goodwin Barsby, both smaller companies within the group, are also likely to be excluded from the deal. Negotiations with other potential purchasers for these companies are being conducted.

The Aveling Barford group, employing 3,000, is one of the largest British-owned groups in the construction equipment industry. Over the past couple of years, it has suffered mounting losses.

The industry worldwide has encountered difficult markets, and Aveling Barford, which exports 70 per cent of output, has been particularly badly hit in overseas markets where the weak dollar has given American competitors an advantage.

Acrow already has interests complementary to construction equipment in Coles Cranes and Priestman, which it took over in 1972. Both companies have been successfully turned round under Acrow, although the recent weak market for cranes was the main factor in confirming Acrow's profit increase over the past year, from £13.1m to £13.8m, to just 5 per cent. It remains to be seen how the stock market will interpret Acrow's decision to become involved further in a difficult industry.

When BL originally put Aveling Barford up for sale earlier this year, it had hoped to sell the whole group to a single purchaser. BL soon found this was not feasible.

Salisbury agrees conference

BY TONY HAWKINS IN SALISBURY

BISHOP ABEL MUZOREWA'S Cabinet yesterday accepted the British Government's invitation to attend an all-party conference on Zimbabwe-Rhodesia in London starting on September 10.

After meeting for just under two hours, the Cabinet said that in the past constitutional discussions had always been on the basis that no preconditions were laid down.

"*It is on this basis*, that the Government has accepted the invitation from the British Government."

The Cabinet stressed that the Government of Bishop Muzorewa represented the country of Zimbabwe-Rhodesia "and the delegation will therefore consist of representatives from the Government of national unity."

In accepting the invitation, the Zimbabwe-Rhodesia Government stressed that it held office by virtue of the April one-man, one-vote elections in which an estimated 64 per cent of the potential electorate voted. These elections had been accepted by all "responsible" observers—including those from the British Conservative Party—as being "free and fair" the statement added.

Details are not available as to the composition of the Muzorewa delegation of 12. However, as the delegation is to represent the Government, there will be some delegates from Mr. Ian Smith's Rhodesia Front, from Mr. Sithole's ZANU, and from Chief Ndiweni's United National Federal Party. It is not yet clear whether Mr. Chikerema's Zimbabwe Democratic Party, which is not represented in the Cabinet, will also be given a place.

It is likely that Chief Ndiweni and Mr. Sithole will be in the delegation along with Bishop Muzorewa and his senior ministers. However, there is speculation that rather than sending Mr. Ian Smith to the talks, the white Rhodesian Front will invite Mr. David Smith, the Finance Minister and Mr. Smith's deputy within the party, to be its chief spokesman.

It is understood that this would be preferred by senior black ministers and it is seen as tactically desirable since Mr. Ian Smith's non appearance at the talks would counter claims that he continues to run the country from the background.

Continued from Page 1

Tighter Fed credit

is expected that when the administration revises its second quarter real gross national product estimates later this week, the 3.3 per cent second quarter decline in GNP reported in the preliminary estimates will be trimmed.

Some economists suggest that taken with other evidence, including the continued strength of the employment picture, the economy may not appear to have weakened as much as some have feared.

Peter Riddell writes: The dollar yesterday rose to its highest level against most other currencies for more than five weeks following the announcement of the rise in U.S. interest rates.

Its trade-weighted index, as calculated by the Bank of England, rose by 0.1 points to 84.7, for the first time since July 10. This is 1.3 per cent higher than the end-July low.

Trading was described as fairly active though the main Continental centres were closed for Assumption Day.

The dollar rose to DM 1.8335 against the D-mark after touching a high of DM 1.8355. This compares with DM 1.8320 previously.

Continued from Page 1

BNOC

In this way, the Government hopes to build up a picture of the more attractive acreage yet still to be explored and to offer some of these blocks in the knowledge that they will almost certainly be accepted by the industry.

It seems likely that the next, seventh round of licences will be more ambitious than the two previous rounds. As evidence of the Government's commitment to a continuing role for BNOC, officials are letting it be known that they hope some private companies will offer the corporation partnership in licences, albeit on a voluntary basis.

Weather

UK TODAY

RAIN IN most areas.

London, S.E. and Cent. S. England
Sunny periods, perhaps rain later. Max. 17C (63F).

E. Anglia, Midlands, N. Wales
Sunny intervals, rain later. Max. 17C (63F).

E., N.E., N. England, Lakes
Sunny intervals, showers later. Max. 17-19C (63-66F).

Channel Isles, S.W. England, S. Wales
Cloudy, rain later. Winds strong to gale. Max. 17C (63F).

I. of Man, Scotland (except N.E.), N. Ireland
Bright intervals, showers, perhaps thunder. Max. 15C (61F).

N.E. Scotland, Orkney, Shetland
Bright intervals, showers. Max. 13C (55F).

Outlook: Becoming mainly dry and warmer.

Long-range forecast to mid-September: Dry and settled, some very warm days in south.

WORLDWIDE

		Y'day °C	°F			Y'day °C	°F
Ajaccio	S	27	81	Lisbon	S	23	73
Algiers	S	28	82	Locarno	S	26	79
Amsdm.	F	18	64	London	F	19	66
Athens	F	27	81	Luxmbg.	F	16	61
Bahrain	S	38	100	Luxor	S	37	99
Barclna.	F	27	81	Madrid	F	26	79
Beirut	S	29	84	Majorca	S	32	90
Belfast	C	15	59	Malaga	S	30	86
Belgrd.	F	25	77	Malta	F	28	82
Berlin	S	26	79	M'chstr.	R	15	59
Biarritz	C	16	61	Melbne.	S	12	54
Bmghm.	F	18	64	Mex. C.	S	17	63
Blackpl.	F	16	61	Milan	S	29	84
Bordx.	C	17	63	Mntreal	C	14	57
Boulgn.	F	16	61	Munich	S	27	81
Bristol	R	16	61	Nairobi	C	15	59
Brussels	F	19	66	Naples	S	29	84
Budpst.	F	28	82	Nwcstl.	F	17	63
B. Aires	C	15	59	N. York	S	19	66
Cairo	S	34	93	Nice	S	26	79
Cardiff	F	16	61	Oporto	F	21	70
Cas'b'ca	C	24	75	Oslo	F	17	63
Cape T.	S	18	64	Paris	F	19	66
Chicago	S	17	63	Perth	C	16	61
Cologne	C	15	59	Prague	F	26	79
Cpnhgn.	S	21	70	Reykjvk.	S	11	52
Corfu	S	28	82	Rhodes	S	26	79
Dublin	C	16	61	Rio J'o	C	26	79
Dbrvnk.	S	28	82	Rome	S	28	82
Ednbgh.	F	15	59	Salzbg.	S	28	82
Faro	S	27	81	Singapr.	S	29	84
Florence	S	31	88	Stckhlm.	S	20	68
Frankft.	R	17	63	Strasbg.	C	21	70
Funchal	R	21	70	Sydney	S	17	63
Geneva	F	27	81	Tangier	S	25	77
Gibrltr.	S	30	86	Tehran	S	30	86
Glasgow	F	15	59	Tel Aviv	S	29	84
G'rnsey	F	16	61	Tenerife	C	18	64
Helsinki	C	22	72	Tokyo	C	30	36
H. Kong	S	30	86	Toronto	C	15	59
Innsbrk.	S	27	81	Tunis	S	31	88
Invrnss.	F	16	61	Valencia	F	30	86
I.o.Man	S	15	59	Venice	S	26	79
Istanbul	S	25	77	Vienna	S	26	79
Jersey	S	17	63	Warsaw	S	25	77
Jo'burg	C	14	57	Zurich	S	26	79
L. Plms.	F	24	75				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

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